

2007 • THE INDEPENDENT
is dues
Zealand's
page 24

Morib



ELECTION '97: no one's pulling our strings



THE INDEPENDENT

No. 3,217

TUESDAY 11 FEBRUARY 1997

WEATHER: Heavy rain spreading from the west

(IR45p) 40p

THE TABLOID

Why we are
sadder than
our parents



THE TABLOID

Christian Dior's biggest
moment

NEWS

The nanny
who could face
a murder charge

Blair hit by Old Labour junketing

CHRISTIAN WOLMAR
Westminster Correspondent

A council run by a tightly-knit group of Labour politicians, two of whom are front runners to fight a parliamentary by-election, has been strongly criticised by the District Auditor over junks, expenses, and "inappropriate" gifts and hospitality.

The criticisms are an embarrassment to Tony Blair because they dent New Labour's image and resurrect the spectre of old-fashioned town hall politics which the Labour leader is desperate to shed.

Councillors on Doncaster council, where Labour has an overwhelming majority, went on trips around the world, including to Japan, Hong Kong, China, Sweden, Poland and the United States, without formal authority and no public records of the

trips were kept by the council.

According to the District Auditor, the accountant who audits the council's accounts, councillors on some trips flew club class - breaching council rules. They went on drunken binges running up staggering bills, with one meal for two costing £284 and "working" lunches at £50 per head where most of the bill was for alcohol.

At a meeting last month of leading officers and councillors, the District Auditor, Gordon Sutton, said: "The level of alcohol consumed at these lunches makes it unlikely that those attending them could do any work in the afternoon, let alone stand up." Councillors and officials accepted "inappropriate" hospitality in-

cluding raffle tickets where the prize was a trip for two to the Kentucky Derby.

The revelations will cause widespread alarm at Labour Party headquarters, which only last week published a document stressing the virtues of the party's local government stewardship. It is particularly embarrassing because the selection process for the vacant Don Valley seat, caused by the death of Martin Redmond, has just begun.

Two councillors and front-runners for the nomination - the council leader, Peter Welsh, and Labour group chairman, Tony Sellars, lead a small group of Labour councillors which acts as an inner caucus running the council.

Tory Central Office, which will do its utmost to exploit Labour's embarrassment, has known of events in Doncaster for some time but had hoped to keep a lid on them until the election campaign. The Tories will also find it harder to launch an attack on Labour's record on local government since the amounts of money involved in Doncaster pale into insignificance compared with the £20m surcharge imposed on councillors and officers in Tory-controlled West-minster.

Mr Welsh went to Japan in December, where he visited a racecourse. Mr Sellars, who on Sunday night won the nomination from the ward to select his candidate for Don Valley, went on four trips - to China, Poland, Sweden and Jersey. Mr Sellars accepted yesterday he had been on a twinning trip to the Chinese town of Dandong travelling business class, but could not recall whether he had been on the other trips. He said: "I will have to look at my diary we have a system of authorisation by officers. Maybe we rely on officers too much."

The District Auditor told last month's meeting of senior officers and councillors that there was a "lack of control" over the foreign visits, that the rules were "ambiguous and open to interpretation", and there was "abuse of the system".

Although the chief executive, Doug Hale, had authority to sanction trips, sometimes this had not been sought. Mr Sutton said: "Foreign trips had taken place without authority from the chief executive or members."

Some council members had travelled club or business class, whereas as council rules specified economy. Mr Sutton also questioned the payment of £30 per day subsistence allowances to councillors for "incidental" expenses when, in fact, council credit cards issued to them were already used to pay for mini bars, telephone bills and videos. A source at the District Auditor's office said: "There is evidence that overclaiming has occurred."

A council policy and resources committee voted last week to withdraw all but six of the 27 council cred-

it cards which had been issued to councillors and senior officers. It also voted to scrap foreign trips, saving an estimated £115,000 per year and the £12,000-a-year Jaguar, leased to council leaders, is to be returned.

Doncaster owns the local racecourse at which the free bar for members of the racecourse committee and a free drink for any other councilor also came under criticism from Mr Sutton.

The overall cost came out of a special budget which the council said amounted to less than £200,000. Last week, the council also discussed proposed cuts of £20m in its budget because of reductions in central government grant. A council spokesman said last night that the District Auditor's report was being acted on and new guidelines drawn up.

Further report, page 11

Council auditor criticises drunken lunches, foreign trips and free-loading

Tory threat: We will make the Scots pay

Anthony Bovis
Political Editor

The Conservatives yesterday threatened to punish the Scottish people with an annual penalty of about £260m in cutbacks if they allow Labour to set up an Edinburgh parliament.

Scottish Secretary Michael Forsyth warned that the differential between spending north and south of the border - amounting to more than £890 extra for every man, woman and child in Scotland - could be slashed from central Government spending.

But George Robertson, Labour's spokesman, told *The Independent*: "The Scottish people do not recognise that they are being subsidised, and see no signs of it about them."

"In England, people think that if the Scots are being lavishly subsidised, why did Mrs Thatcher do nothing about it?"

After a day of disarray and confusion in Cabinet ranks, with Health Secretary Stephen Dorrell twice appearing to contradict the Government line on Labour's devolution plans, the Prime Minister's office said there was no disagreement between ministers.

Repudiating a suggestion that a future Conservative government would abolish the Scottish parliament - a threat reportedly made by Mr Dorrell in an interview with *The Scotsman* - Mr Forsyth said: "A Scottish parliament is not just for Christmas; it's for life."

He also contradicted Mr Dorrell's statement in a BBC radio interview yesterday, that there would have to be changes to any Scottish parliament that was set up by Labour.

Mr Forsyth said a parliament would be irrevocable, adding: "Once Humpty Dumpty falls off the wall, he will not be put back together again no matter how many of his king's horses and the king's men turn up..."

"It would grow into a creature which might do enormous damage in

Scotland, but we would have to live with the consequence of it."

However, Mr Forsyth said: "If people in Scotland vote for a tax-raising parliament, and that is established, then the consequences that follow from that in terms of the rights of Scottish members of Parliament to vote at Westminster, the whole question of the relationship between the two parliaments - at the moment, Scotland is about 30 per cent better funded per head than England - all of those issues will need to be resolved, and there will be very dramatic and adverse consequences for Scotland."

The Scottish Office last night provided figures showing that in the latest available year, identifiable spending by country was £23,614 for England and 24,505 in Scotland in 1994-95.

If the 2.6 per cent differential was cut from the identifiable, £23,120m Scottish budget for 1994-95, it would have cost Scotland a penalty of about £5.7bn.

A senior Labour source said Mr Forsyth was maintaining his tactic of trying "to frighten the children", while Mr Dorrell was adopting the softer line that action could be taken to mitigate the impact of a new parliament.

In a letter to the Prime Minister last night, Mr Robertson said: "There is now a deep and disturbing division within your Cabinet on this aspect of your Government's policy on devolution, with the Scottish Secretary apparently isolated. Can you say which side you support?"

Jim Wallace, leader of the Scottish Liberal Democrats, told BBC radio: "Stephen Dorrell has blundered out of his depth. He doesn't appreciate sensitivities in Scotland. If the objective of the Conservative and Unionist Party is to save the Union, I can't think of one act more calculated to break it up than to give people a Scottish parliament then try to take it away."

Donald Macintyre, page 19



BRIDGEMAN ART LIBRARY/PHOTOMONTAGE: JEROME CORNICK

The elderly inherit, not the meek, as thrift leads to record number of millionaires

Steve Boggan

The meek are not inheriting the earth - the elderly are. According to new research into the distribution of wealth in the United Kingdom, one in 550 adults is a millionaire, and the fastest-growing group are pensioners.

More than 81,000 people are now classed as millionaires, the most in history, and for the first time, the number who have grown rich by graft and thrift has overtaken those who have inherited wealth.

The research, by Datamonitor, a strategic management

consultancy, shows that the number of millionaires - people with net, unencumbered assets over £1m and £20,000 in liquid assets - has more than doubled since 1991 when the figure stood at 31,700.

More than 19,000 of those are over 65, but only 17,000 out of the total of 81,000 inherited their money.

This shows a major shift in wealth reflecting people's concerns about providing for themselves in their old age, rather than relying on state provision.

According to Yogasundram, an analyst at Datamonitor, the research, by Datamonitor, a strategic management

consultancy, shows that the number of millionaires - people with net, unencumbered assets over £1m and £20,000 in liquid assets - has more than doubled since 1991 when the figure stood at 31,700.

More than 19,000 of those are over 65, but only 17,000 out of the total of 81,000 inherited their money.

This shows a major shift in wealth reflecting people's concerns about providing for themselves in their old age, rather than relying on state provision.

By 1995, the balance had

shifted to 19.1 per cent elderly and 16.8 per cent inheritors.

Of all millionaires, 24 per cent are elderly, almost 21 per cent inherited their wealth and 12 per cent saved it from highly paid employment. Last year, of the 10,000 new millionaires, 2,000 were elderly, 1,200 were inheritors and 810 were workers.

There is also a small, but increasingly significant, group who have gained their wealth through the National Lottery. By the end of 1996, there were 288 lottery millionaires; the figure now is nearer 300.

The research does not, how-

ever, look at the strikingly obvious - the fact that more millionaires at the top must equate to more poor people at the bottom.

Datamonitor is preparing new research on what it calls the "middle bracket" of earners, those with £10,000 to £100,000.

However, asked whether a third piece of research would be forthcoming on the poor, Datamonitor said no. "There's not much call for that," said Mr Yoganathan.

Just as well. The price for a copy of the latest report, *UK High Net Worth Individuals 1997*, is £1,495.

• Robyn Harris

• 0171 824 8224

• 9am - 6pm, Monday to Friday

•

• home legacy

INSURANCE SERVICES LIMITED

BACKED BY THE UK'S LEADING INSURERS

Premiums quoted are for new policies only and are valid for a period of 14 days from the date of this publication and are subject to The home being of standard construction and free from history of subsidence or flooding. Satisfactory physical security in force at the home. Satisfactory claim experience and acceptance of risk by insurers.

Policy terms and conditions. Our minimum premium level is £100.

HOME & CONTENTS INSURANCE

Home & Legacy specialises in providing insurance for higher value homes and contents anywhere in the UK and we can save up to 10% on your premiums. Call us for a free quotation which is valid for 14 days. Premiums include accidental damage. We also offer monthly payment plans and very low premiums for the contents, jewellery and other valuable items.

BUILDINGS	CONTENTS	ANNUAL PREMIUM
£250,000	£35,000	£395
£500,000	£50,000	£595
£750,000	£75,000	£795
£1,000,000	£100,000	£995

MORE COVER FOR LESS

Home & Legacy offers the widest cover for the lowest premiums in the UK including free accidental damage and worldwide cover for contents and valuables.

NO AREA LOADING

These premiums quoted are true for anywhere in England, Scotland, Wales, Channel Islands and Isle of Man.

PERSONAL, CONFIDENTIAL & EFFICIENT SERVICE

Call Robyn Harris direct on

0171 824 8224

9am - 6pm, Monday to Friday

•

•

•

•

•

•

•

•

•

•

•

•

•

•

•

•

•

•

•

•

•

•

•

•

•

•

•

•

•

•

•

news

Significant shorts

Blair attacks Chancellor over £14bn 'black hole'

Tony Blair yesterday called on the Chancellor of the Exchequer to clarify whether or not there was a "black hole" in the Government's finances.

The Labour leader was referring to a report in yesterday's *Independent* that the National Institute of Economic and Social Research has calculated there will need to be tax increases or public spending cuts of up to £1.4bn. "What this indicates yet again is a great big black hole in the public finances," Mr Blair said.

Speaking at a news conference on Labour's plans for small business, he added: "What I would like to know is what the Chancellor of the Exchequer says to this. Is this true or not? Does this deficit exist or not?"

The study by the National Institute, headed by Treasury adviser, Martin Weale, is due to be published next month.

Diane Coyle

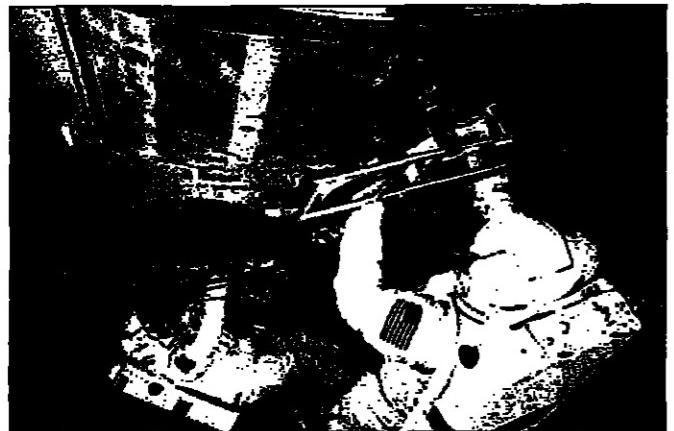
Jury fails to reach verdict on killing

A jury in the trial of a father and two sons accused of murdering wife and mother Eve Howells were sent home overnight last night after failing to reach verdicts. The seven men and five women will resume deliberations tomorrow at Leeds Crown Court, where they spent six hours considering the case today.

David Howells, 48, and sons Glenn, 17, and John, 16, plead not guilty to murdering Mrs Howells, 48, at the family's home in Dalton Green Lane, Huddersfield, West Yorkshire, in August 1995. Glenn admits the manslaughter of his mother on the grounds of provocation. He claims he bludgeoned her to death in their living room after suffering years of mental and physical cruelty.

Missing teenager found safe

A missing anorexic teenager, Jackie Hooker, was found safe, police said yesterday. She was found in Brixton, south London, said Thames Valley Police. The news came after Colin and Lynne Hooker made an emotional appeal for the 16-year-old, who weighs just 4st 8lb, to make contact with them.

Mission to repair Hubble telescope

Astronauts are to make a series of space repairs to the Hubble Space Telescope (HST) over the next week, to enhance its stunning astronomical capabilities even further.

The Space Shuttle was due to take off yesterday on its way to the second repair mission for the HST, first launched in 1990. The astronauts on board will carry out at least four spacewalks in order to replace some of the older observation instruments and install state-of-the-art systems that will give even better views of the origins of the universe. They have been training for the mission for two years, carrying out the work on full-sized underwater mock-ups (above), to simulate the weightlessness of space.

Charles Arthur

Pop singer Brian Connolly dead

Brian Connolly, the once-hard-living singer of 1970s glam rock band, The Sweet, died early today, aged 52, a friend disclosed.

Connolly, whose hits included *Blockbuster*, *Ballroom Blitz* and *Wig Wag Bam*, died of renal failure in hospital in Slough with his friends and family around him.

The blond singer had a string of heart-attacks behind him, which started in 1981. He suffered the last in January this year, discharged himself from hospital after a week, but was re-admitted a week later for the last time.

Obituary, page 16

Poor deal for low-income savers

Low-income savers get a poor deal from financial institutions they entrust with their money, according to a report published yesterday by the National Consumer Council. The NCC believes that the closure of bank and building society branches, plus local post offices, all whilst away at effective consumer choice.

The report makes 20 suggestions to improve matters, including a call for banks to attract more young customers; for National Savings, the government agency, to provide cheap pensions; and for more education about financial matters.

Nic Cicutto

THE INDEPENDENT ABROAD

Austria ... Sch10.11/100 ... £6.00
Belgium ... BE50.10/100 ... £4.00
Croatia ... PE50.10/100 ... £4.00
Cyprus ... CL120.10/100 ... £4.00
Denmark ... DK10.10/100 ... £4.00
Iceland ... IS14.10/100 ... £4.00
France ... FR14.10/100 ... £6.00
Germany ... DE14.10/100 ... £4.00
Greece ... GR14.10/100 ... £4.00
Luxembourg ... LU10.10/100 ... £3.00

OVERSEAS SUBSCRIPTIONS
Air mail, 13 weeks Europe £13.76; Zone 1 (Middle East, Africa, Asia and India) £18.04; Zone 2 (Far East and Australia) £20.70. To order, please send cheque payable to *Johnsens International Media Services Ltd*, 13 Millbank, London SW1P 4RR or telephone 0171-538 6268. Credit cards welcome.
BACK ISSUES
Back issues of the *Independent* are available from: Historic Newspapers. Telephone 01984 640370.

Piano man: A personal favourite of Governor Chris Patten, Elton will be top of the bill in June

Elton to perform as the sun goes down on British rule

The magic combination of Elton John, Hong Kong's Urban Services Department and the fulfilment of the second Convention of Peking are coming together in June for celebrations to mark the handover of power in the colony. Elton is the first internationally famous star to have been firmly booked by the Urban Services Department for one of the concerts which will celebrate the transfer of power.

Practically every other famous name in the music world has been mentioned as a potential performer for a handover concert. However, those organising these events have been curiously slow off the mark and are having difficulties booking real superstars at relatively short notice.

But Elton has confirmed: "He is coming to Hong Kong on the last weekend of the handover." Peter

Randall, head of public relations at the Hong Kong Tourist Association, said yesterday

Organisers said they hoped 40,000 people would pack Hong Kong stadium for each of the shows on 28 and 29 June. Thousands of tourists are expected, and – with many hotel rooms already taken by journalists, officials and diplomats, it is likely to be one of the biggest parties in the world this year.

The explanation for Elton John's presence seems to lie in the personal preferences of Hong Kong's Governor, Chris Patten, an avid music lover, is said to be a big fan. He invited Elton to lunch at Government House in 1993.

Elton's songs are extremely popular in China, though he has had less luck with plans to perform on the other side of the border. Authorities in Peking are said to have

objected several years ago when the idea was mooted of an Elton John concert within the walls of the Imperial Forbidden City in Peking.

Hong Kong plans to spend HK\$223 million (£18m) on glitz ceremonies to mark the handover. The Black Watch will be in attendance, to lend the appropriate note of post-imperial grandeur.

The Union Flag will be lowered for the last time in Hong Kong at midnight on 30 June, marking the end of more than a century and a half of colonial rule. China's red flag will then be hoisted.

Perhaps the most apt number for Elton to perform, given the nervousness amongst the HK population, would be an old concert favourite – "Don't Let the Sun Go Down on Me".

Stephen Vines

Leader elevated, Page 15

West End actors banned by US Equity

Janet McTeer's acclaimed West End portrayal of Nora in Ibsen's *A Doll's House* may now not be seen in New York after a fierce row broke out between the play's British producers and American Equity.

The US actors' union has banned three of Miss McTeer's co-stars, Owen Teale, John Carlisle and Peter Gowran, saying the parts could be played by American actors. Miss McTeer (right) has been granted permission to act on Broadway. Both Miss McTeer and Owen Teale have been nominated for Olivier Awards for their performances.

The show's producer, Thelma Holt, said there was no way she could let the production transfer without the three performers in question.

She added: "One of the reasons we have been given is that it's not an English play so you don't need English actors. How ridiculous." Fellow West End producer Bill Kenwright, who was set to spend \$1m taking the production to New York, said: "It's a mind-blowing decision. I thought they would welcome us with open arms."

Mr Kenwright will be appealing to American Equity. He had already made an application for an exchange procedure, by which he would bring three American actors into a London production.

Liam and Patsy call off their big day

Liam Gallagher and Patsy Kensit (right) yesterday failed to tie the knot, despite having more than 100 guests, albeit uninformed ones, in attendance at three different London venues and their St John's Wood home.

The Oasis singer and his girlfriend, who had obtained special licences for six separate locations, instead issued a statement saying that "obsessive and intrusive media attention had removed any dignity" from what was to be a private and special occasion".

Not since Miss Kensit last got married has so much press attention been generated by so little. Reporters and cameramen were deployed across the capital in the hope that they would hit on the correct venue.

Press attention was particularly intense at 30 Pavilion Road, an exclusive Knightsbridge restaurant and odds-on favourite for a combined ceremony and reception. The uninvited passed the day leaning on redundant police barriers, while photographers with long lenses cat-called at each other from the roofs of nearby office blocks.

While fans were disappointed, one freelance photographer went home happy. He was being paid £100 per day by eight newspapers to be on standby, and had made £200 by doing nothing. "I hope they do it again tomorrow," he said.

Jojo Moyes



people



briefing

TRANSPORT

New traffic laws for Britain in EU drive to cut deaths

Britain will have to bring in new road safety measures if the target of halving car deaths in Europe by the year 2010 is confirmed, according to an EU report. Member states need to standardise speed limits, reduce legally acceptable levels of alcohol for drivers, increase seat-belt use and modify car design, said the European Transport Safety Council.

In an influential proposal to the EU, the ETSC called for the introduction of a strategic road safety plan to cut fatalities. Many of the measures are likely to be brought in by the Dutch presidency, which is putting forward a package of road safety policies before the summer. The plan could mean new laws for Britain, despite its position as top of Europe's road safety league.

The ETSC report called for the EU to aim for 95 per cent of drivers to use seat belts, saving 7,000 lives a year, and for road standards to be harmonised across Europe. Motorists driving on the Trans-European Road Network – the motorway which will link Europe – would have to travel at under 75mph.

SOCIETY

Accent on Scotland

A Scottish accent is the nation's favourite, according to a poll conducted by Cellnet, the mobile telephone network. Eighteen per cent of people found a Scots accent the most appealing. But when asked whose telephone voice was the most trustworthy, nearly half voted for the traditional English counties accent.

The poll, carried out among 993 adults, also showed that the actor Sean Connery was the people's choice for the perfect voice. Joanna Lumley and Andrea Turner tied in second place. David Garfinkle,



ECONOMICS

Clarke's pay crusade fails

Kenneth Clarke has failed in his 10-year mission to revolutionise the way Britons reward themselves for work, according to a study published today. In a speech on 11 February 1987, Mr Clarke, then Secretary of State for Employment, called for the elimination of five deadly sins: the annual pay round, the going rate, "comparability", job evaluation and – perhaps worst of all – national pay bargaining.

A decade later, all five still have a major role to play in wage determination, research group Incomes Data Services observes. National pay rates still exist at the banks, the big supermarket chains and companies such as Ford, Vauxhall and McDonald's.

So far as "comparability" is concerned, the vast majority of people still get an annual pay rise reflecting what is happening elsewhere – whether through inflation or what is being paid by competitors.

Barrie Clement

HEALTH

Hip replacements a waste of cash

Unreliable hip replacements are not lasting long enough, causing pain and wasting money, according to the Consumers Association. Only the oldest and cheapest models – a handful of the 60 models on the market – last for a worthwhile length of time.

Operations to replace failed implants now made up about 11 per cent of all hip replacements in Britain, and some experts predict this figure could soon rise to 25 per cent. These "revision" operations are more complicated, more expensive and have a poorer success rate than the initial replacements, the *Health Which?* research found.

More than half the models on the market had been introduced since 1990, but only the oldest and cheapest implants had enough long-term evidence to support their use, it argued. However *Health Which?* claims the latest models made more money for manufacturers who were keen on them being used by as many surgeons as possible.

Glenda Cooper

WHITEHALL

Top civil service posts vacant

Six high-ranking civil service posts were left vacant last year because departments were unable to find suitable candidates to fill them. An annex to last week's review body report on "senior salaries" says that, following open competition for 67 senior Whitehall vacancies in the year to June 1996, no appointment was made in six cases "either because there was no appropriate candidate or because suitable candidates had declined offers".

The Civil Service Commissioners told the review body that increased pay flexibility had helped recruitment generally, but "it was still difficult to attract top quality candidates ... in particular from the private sector." In the most senior ranks, women still found it difficult to break through Whitehall's glass ceiling. For vacancies in the top three grades: "women represented 13 per cent of applicants, 8 per cent of those short-listed for interview, and 10 per cent of those successful."

Nineteenth Report on Senior Salaries. Review Body on Senior Salaries. Volume 1 Cm3540. HMSO, £7.20.
Anthony Bevins

**NEWSPAPERS SUPPORT RECYCLING**

Recycled paper made up 41.2% of the raw material for UK newspapers in the first half of 1996

The Baby month after S...
David Osborne
There was nothing that would give us any idea that she would harm the baby or anyone else's child...
After reading this article, I am still not sure if I should go ahead with my pregnancy or not. It's been a really tough decision for me, but I think I'm making the right choice. I hope that everything goes well and that I can have a healthy baby. I'll keep you updated on my progress.

Calls for drug-test

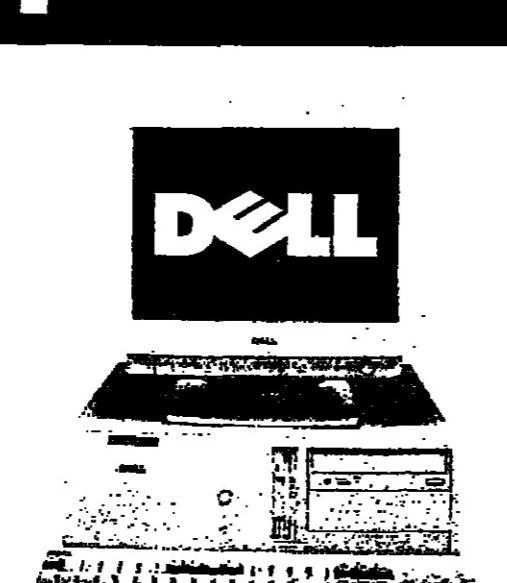
James Arthur

After reading this article, I am still not sure if I should go ahead with my pregnancy or not. It's been a really tough decision for me, but I think I'm making the right choice. I hope that everything goes well and that I can have a healthy baby. I'll keep you updated on my progress.

Better Spec. Better Price. Better Hurry.

DELL DIMENSION XPS M166s
• INTEL® 166MHz PENTIUM® PROCESSOR WITH MMX™ TECHNOLOGY
• 16MB SDRAM
• 512KB CACHE
• 36GB IDE HARD DRIVE
• STB POWERGRAPH 64 10 PCI GRAPHICS CARD WITH 2Mb VIDEO MEMORY
• 15" COLOUR SVGA MONITOR (13.75" VIEWABLE AREA)
• TWELVE SPEED CD-ROM DRIVE
• MID-SIZED DESKTOP CHASSIS
• INTEGRATED 16-BIT SOUND
• WINDOWS 95 & MICROSOFT OFFICE PROFESSIONAL 95

£1,199 (£1,438.20 inc. delivery & VAT)



With Dell, things just get better and better. For only £1,199 (£1,438.20 inc. del. & VAT), we're offering a Dell Dimension™ XPS M166s with a Pentium® Processor with MMX™ technology. Because it comes with MMX technology it can run between 10% and 20% faster under today's normal business applications. It also includes a powerful 12 Speed CD-ROM Drive and a 3Gb Hard Drive. And we're giving you additional upgrades at outstanding prices (see below to upgrade this system further). But you must hurry. Call the world's leading direct PC manufacturer* today on 01344 724854 for a much better deal all round.

*Source IDC

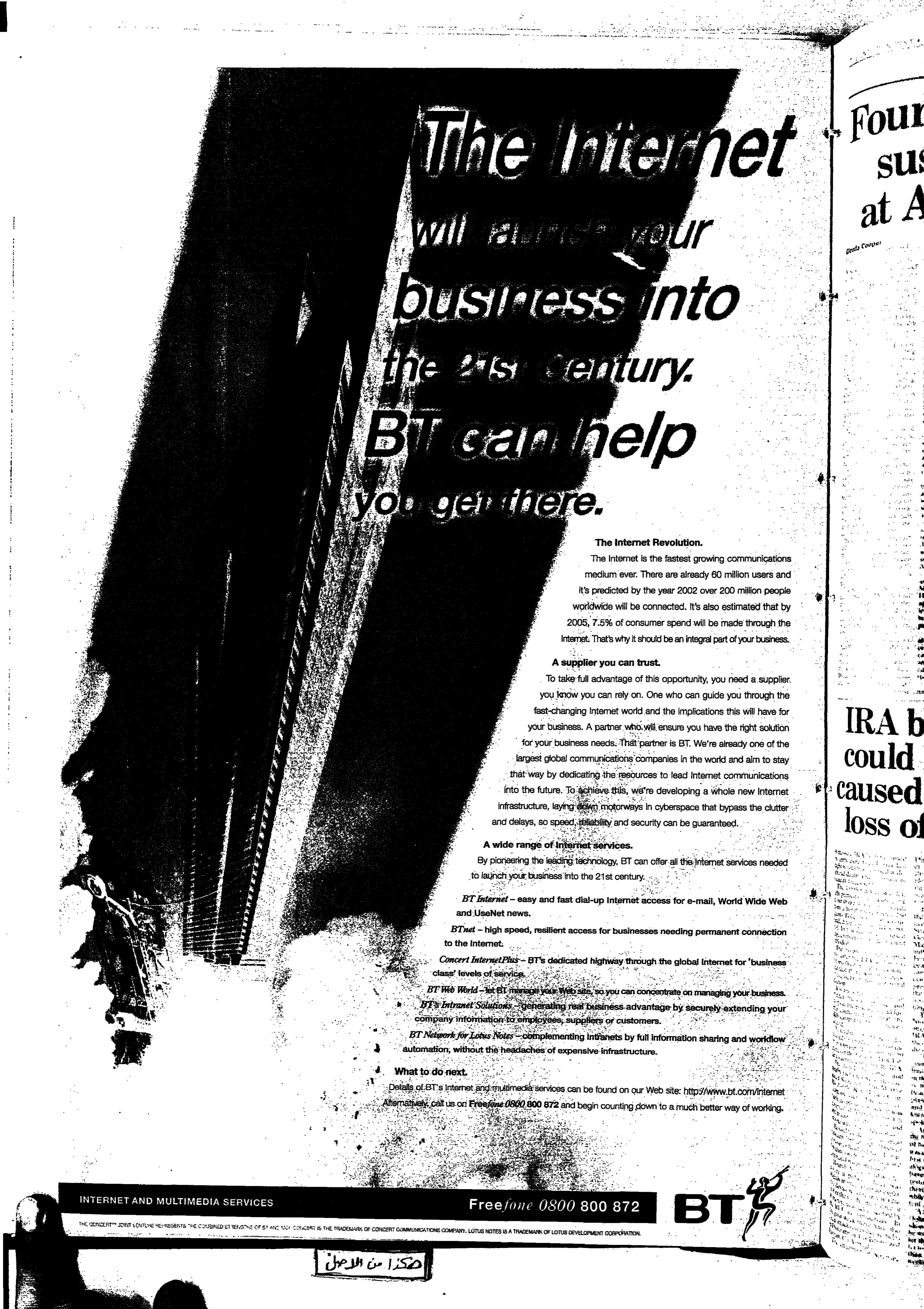
Upgrade Options	Special Price for this Dimension XPS M166s bundle only
Add an additional 16Mb RAM and an upgrade to AC290 speakers	Only £100 (£117.50 inc. VAT)
Add a 33.6 Internal Modem	Only £99 (£116.33 inc. VAT)

(CALL NOW FOR DETAILS OF OFFICE 97 UPGRADES.)

DELL
TALK DIRECT TO THE NUMBER ONE.
01344 724854
Between 8am and 8pm weekdays, 10am-6.4pm Sat.

Dell and the Dell logo are registered trademarks and Dell Dimension is a trademark of Dell Computer Corporation. The Intel Inside logo and Pentium are registered trademarks and MMX is a trademark of Intel Corporation. Microsoft, Windows, Office Professional 95 and the Windows logo are registered trademarks of the Microsoft Corporation. Delivery at £25 change frequency. All prices and specifications are subject to change without prior notice or obligation. Offer supplied with Windows 95 or 98 requested. Dell mouse and keyboard included. Dell Computer Corporation Ltd, Milbank House, Western Road, Bracknell, Berkshire RG12 1BD. Offer available for a limited period only.

£1,199 (£1,438.20 inc. delivery & VAT)



The Internet will launch your business into the 21st century. **BT can help you get there.**

The Internet Revolution.

The Internet is the fastest growing communications medium ever. There are already 60 million users and it's predicted by the year 2002 over 200 million people worldwide will be connected. It's also estimated that by 2005, 7.5% of consumer spend will be made through the Internet. That's why it should be an integral part of your business.

A supplier you can trust.

To take full advantage of this opportunity, you need a supplier you know you can rely on. One who can guide you through the fast-changing Internet world and the implications this will have for your business. A partner who will ensure you have the right solution for your business needs. That partner is BT. We're already one of the largest global communications companies in the world and aim to stay that way by dedicating the resources to lead Internet communications into the future. To achieve this, we're developing a whole new Internet infrastructure, laying down motorways in cyberspace that bypass the clutter and delays, so speed, reliability and security can be guaranteed.

A wide range of Internet services.

By pioneering the leading technology, BT can offer all the Internet services needed to launch your business into the 21st century.

BT Internet – easy and fast dial-up Internet access for e-mail, World Wide Web and Usenet news.

BTnet – high speed, resilient access for businesses needing permanent connection to the Internet.

Concert InternetPlus – BT's dedicated highway through the global Internet for 'business class' levels of service.

BT Web World – let BT manage your Web site, so you can concentrate on managing your business.

BT Intranet Solutions – generating real business advantage by securely extending your company information to employees, suppliers or customers.

BT Network for Lotus Notes – complementing intranets by full information sharing and workflow automation, without the headaches of expensive infrastructure.

What to do next.

Details of BT's Internet and multimedia services can be found on our Web site: <http://www.bt.com/internet>. Alternatively, call us on **Freephone 0800 800 872** and begin counting down to a much better way of working.

INTERNET AND MULTIMEDIA SERVICES

Freephone 0800 800 872



THE CONCERT™ JOINT VENTURE REPRESENTS THE COMBINED STRENGTHS OF BT AND CONCERT. CONCERT IS THE TRADEMARK OF CONCERT COMMUNICATIONS COMPANY. LOTUS NOTES IS A TRADEMARK OF LOTUS DEVELOPMENT CORPORATION.

[Handwritten signature]

Four
sus
at A

Glenys Cooper

IRA b
could
caused
loss of

jet Fourth person suspended at Ashworth

Glenda Cooper
Social Affairs Correspondent



Mahon: Prompted inquiry

A senior psychiatrist has become the fourth member of staff to be suspended at Ashworth Hospital on Merseyside, after the discovery of pornography and alleged paedophile activity. It follows the suspension of its chief executive, Janice Miles, and two nurses last Friday, when the Department of Health ordered an immediate inquiry into "extremely serious" allegations concerning the Personality Disorder Unit, including claims of drug and alcohol misuse and financial irregularity.

New, stringent measures were announced by the acting chief executive, Erville Millar, who denied the hospital was "out of control" and said yesterday's suspension did not imply guilt but was made in the doctor's best interests.

"This hospital is not out of control. It is very much in control and it is very clear what it is trying to do and what it is trying to investigate," he said.

Ward-based visiting by children has been banned throughout the hospital, as have visits to the hospital by ex-patients. Mr Millar confirmed that any videos brought in for patients would be vetted by staff, as was normal procedure, and any gifts and packages brought in for patients were also searched.

He confirmed a computer and a modem had been removed from a ward and patients from Lawrence Ward had been relocated in the hospital, with concerns for their safety in mind.

The Secretary of State for Health, Stephen Dorrell, told the Commons yesterday that the inquiry, headed by retired circuit judge Peter Fallon QC, would report within the year. Its report will be made public.

The action was taken after Alice Mahon, Labour MP for Halifax, gave ministers a 60-page dossier compiled by a former Ashworth patient, Stephen Daggett, who absconded from the hospital for 10 days last year. The hospital, whose most

posed "the dreadful inadequacy of the monitoring systems which are supposed to ensure safety at high-security hospitals". "The revelations are shocking," she said. "But as disturbing is the fact that this alleged trade in pornography and paedophile activity could have gone on undiscovered in a hospital that has already been subject to a recent fundamental and far-reaching inquiry under the chairmanship of Sir Louis Blom-Cooper."

She said the inquiry must address "the chronic shortage of staff" at the hospital unit and said the "ganging of staff" by the Government had made it more difficult to bring to light such allegations.

famous inmate is the Moors murderer Ian Brady, had not passed on the information to the Department of Health - even after a "substantial" amount of pornography had been discovered in the Personality Disorder Unit - and continued to maintain that press reports were "unfounded".

Mr Daggett said large quantities of pornographic videos were found on the premises and some patients were able to amass huge sums in their bank accounts by copying and selling tapes.

He also said he had concerns that a young girl was being put at risk by being brought into the ward, including the claim that she was left unsupervised with a sex offender.

In his statement, Mr Dorrell said that on Friday he had instituted "urgent action to address the very serious situation which had been brought to my attention in the previous few days".

The public is entitled to reassurance on two counts," said Mr Dorrell. "Firstly, Ashworth Hospital must be properly managed and must provide a high level of security for the benefit both of patients and of the public at large.

Secondly, the hospital must also ensure that its patients receive a high standard of clinical care. The action I announced on Friday is directed at the achievement of both these objectives."

Tessa Jowell, shadow health minister, said the revelations ex-

IRA bomb could have caused huge loss of life

A massive IRA bomb defused by army experts in Ulster last night would have caused widespread death and destruction, security forces said.

The 1,000lb device was left fully primed on a building site in Strabane, Co Tyrone, yards from a hotel packed with 250 guests. Police believe it was intended for a passing RUC patrol, but would have caused huge civilian loss of life if it had exploded.

The bomb attempt comes days after the IRA said it was not involved in a "phoney war" and that there was little hope of a ceasefire before a general election.

It is the latest in a spate of murder bids on police and troops in the past week and further confirms fears that the IRA's campaign of terror has escalated.

Yesterday's bomb was discovered on a building site on the main Omagh Road within 50 metres of the Fir Trees Hotel after a warning call from the IRA.

The hotel, 26 homes and nearby factories were all evacuated. Superintendent Mervyn Hood of the Royal Ulster Constabulary said: "This was certainly no phoney attack, it was designed deliberately to kill and maim security forces and anyone who got in their way."

He said the device contained between 1,000lb and 1,500lb of explosives held in three 45-gallon drums with a firing pack and command wires attached.

Hours before yesterday's discovery a police officer was slightly injured when an explosive device was thrown at a patrol in the Co Tyrone village of Pomeroy, an attack described by the RUC as "murderous". In the past week there have also been attacks on police vehicles in Dungannon, Co Tyrone and Lurgan, Co Armagh.

The chairman of Strabane

District Council, Edward Turner, said he would now have no choice but to advise business people against future investment in the area. "We've had something in excess of 500 bombs here over the years," he said.

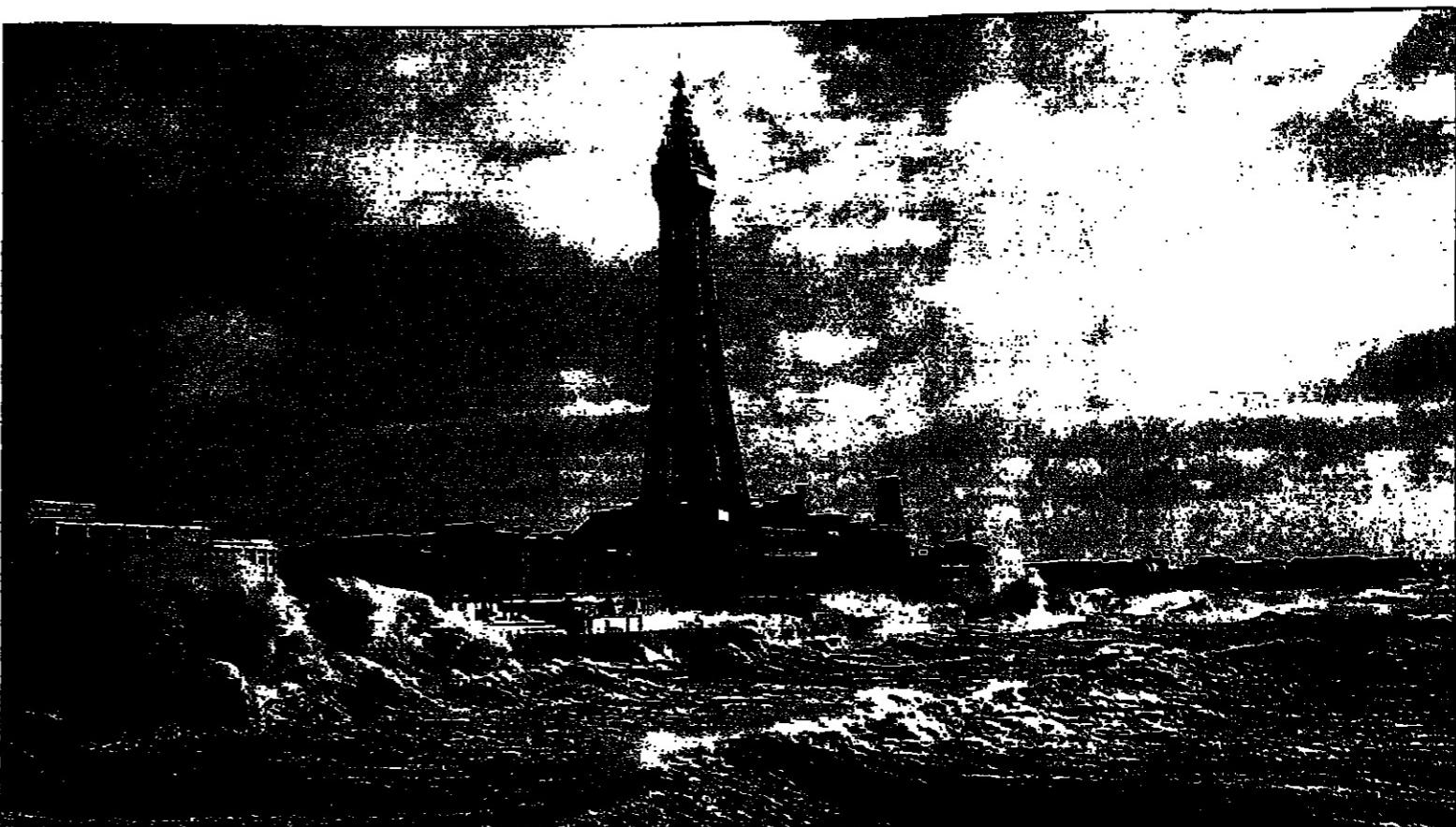
In London, security around the House of Commons was noticeably tightened as Downing Street rejected an appeal by Gerry Adams in a fax to John Major for the Prime Minister to authorise official talks with Sinn Fein to "kickstart" the stalled peace process. The Prime Minister's office said it was "hypocritical" of the Sinn Fein president to call for talks with the Government while the IRA was planting bombs and planning terrorist attacks.

The hostile response from Number Ten underlined the anger among ministers at the IRA's warning last week that there would be no renewal of the ceasefire before the election.

The UK Government is not going to authorise anyone to have discussions with Sinn Fein in the absence of a ceasefire. It is hypocritical to talk about peace when bombs are being planted in Northern Ireland and possibly elsewhere - who knows?" said a Downing Street spokesman.

Andrew Hunter, chairman of the Northern Ireland committee of backbench Tory MPs, said it was up to Sinn Fein to make the first move. But he added: "Dialogue has to be meaningful and based upon an unequivocal restoration of the ceasefire and there is nothing to talk about while the Provisionals are still intent on ... violence."

A Sinn Fein spokesman said: "John Major has said he has new ideas for the peace process, but he wants to leave them until after the election. We would prefer to bridge this gap now rather than have a vacuum for 12 weeks until the election is over."

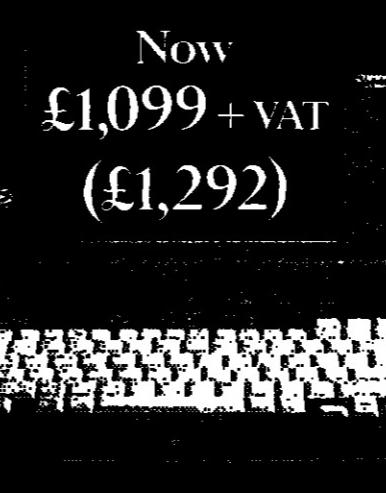


Stormy weather: Gale force winds lashed Blackpool pier and tower yesterday. The strong waves, some 80ft high, breached the town's sea defences, forcing the closure of Blackpool's famous promenade to all traffic and trams

Photograph: John Gladwin

If anyone else offers you so much for so little there's a catch.

Was £1,399 + VAT
 (£1,644)



Now
£1,099 + VAT
 (£1,292)

Armada 1130

Intel Pentium® 120-MHz processor

1 GB hard drive

16-MB memory

10.4" CSTN screen.

We're increasing the value and reducing the prices on all our Armada notebooks. In fact, the whole range has large price reductions of up to 23%. This means Compaq quality notebooks are now even more affordable.

And that includes the highly practical, really easy to use Armada 1130, with 120-MHz Pentium processor. What's more, all this comes from the world's leading PC company.

For more information contact your reseller or for a brochure pack send off the coupon or call us between 8.30am and 8pm (9am-5pm at weekends).

Tel: 0990 50 00 20

COMPAQ COSTS YOU LESS THAN CHEAPER COMPUTERS

Prices quoted are UK Typical Buying Prices (TBP). Actual savings may vary. Photograph shows Armada 1120T with 10.4" TFT display. Price quoted refers to specification descriptions only.

The Intel Inside logo and Pentium are registered trademarks of Intel Corporation.

Mr/Ms/Mr/Mrs/Miss _____	Surname _____
Title _____	
Company _____	
Address _____	
Postcode _____	Telephone _____
Are you a PC user? _____	
Are you employed at your place of work? _____	
If not, do you plan to buy a new computer and when? _____	



pentium®
processor

COMPAQ

politics

Dorrell set for a climbdown over NHS Bill

Colin Brown
Chief Political Correspondent

A retreat on the NHS Primary Care Bill is expected to be signalled today by Stephen Dorrell, the Secretary of State for Health, to avoid a row with family doctors over "supermarket surgeries" spoiling the Tories' general election campaign.

Mr Dorrell privately has assured the doctors' leaders that an amendment will be made to the Bill during the committee stage to make it clear that supermarket chains will not be able to hire GPs, although pilots may be allowed for supermarkets to open surgeries with GPs as their tenants.

Labour will reinforce its opposition to the "supermarket clause" by forcing a vote tonight against the second reading of the Bill. The Labour motion says the proposal to allow private companies to hire GPs would undermine the doctor-patient relationship and "pave the way for privatisation of the NHS".

Mr Dorrell agreed to revise the clause after the British Medical Association warned that it would ask GPs to make the proposal for "supermarket surgeries" an election issue. Among stores which have expressed an interest are Asda, and Unichem, the chemist chain.

The move by Mr Dorrell to silence the criticism comes as the Government is gearing up

for the election with a series of economic statistics – including the labour market figures tomorrow and the retail price index on Thursday – which are expected to show continued economic recovery.

Downing Street said a "belting set of industry pricing figures" showed record lows demonstrated the "very low inflation pressures in the economy", a clear sign that John Major is supporting the Chancellor, Kenneth Clarke, in resisting the pressure by Eddie George.

In a keynote speech to the Social Market Foundation in London, Mr Waldegrave urged Europe to adopt an American-style flexible labour market.

He rounded on Britain's European Union partners for creating the European social chapter on workers' rights, and for burdening employers with high levels of protection for staff.

Mr Major is expected to give a boost to the Tories' election campaign on education at a press conference in London today. Government sources said the Prime Minister would be highlighting nursery education – one of the key battlegrounds for the election.

The Government is to expand nationally from 1 April the offer of £1,100 voucher for every four-year-old to pay for nursery care in the public, private or voluntary sector.

Eddie George: Pressure for an increase in interest rates

The Governor of the Bank of England, for an increase in interest rates.

Mr Clarke caused a renewed flurry of speculation about the election date when he told a conference of newspaper editors in London: "We're bound to get one called in the next few weeks."

The move by Mr Dorrell to silence the criticism comes as the Government is gearing up

Role-play to give women that vital push for Parliament

Fran Abrams
Political Correspondent

Aspiring Labour MPs could find themselves role-playing advice surgeries or showing their talent "on the stump" under plans aimed at putting more women into Parliament.

Plans to introduce a variety of new tests for selection ap-

plicants are being considered by a committee set up to find a replacement for all-women shortlists, which were declared illegal last year.

The group, which is expected to report to the party next month, may also suggest replacing the controversial all-women lists with a quota system under which shortlists would

have to be at least 50 per cent female. A third reform under consideration is a central "approved" list of candidates like the one already run by the Conservatives.

The idea of role-play is designed to make selection procedures more women-friendly.

Party sources say that many women fail to push themselves

forward under the existing selection procedures in which candidates are questioned in crowded meeting rooms. They add that some candidates who impress members with their platform skills turn out to be hopeless on the doorstep or when dealing with constituents.

"You could select someone who has made a brilliant speech

and then when you get them out on the campaign trail they are no good at all," one MP said.

All-women shortlists were outlawed last January by an industrial tribunal in Leeds after two male members complained that they were being discriminated against. Since then the proportion of women selected for winnable seats has plum-

meted. Labour's overseas-aid spokeswoman, Clare Short, pointed out recently that she was one of only 187 women MPs ever elected to Parliament.

The policy had already had some effect, and is likely to boost the number of women MPs to around 90 out of 660. However, this will still be very low in comparison to other

countries such as Germany, where around a quarter of MPs are women. There, the Social Democrats operate a quota system.

Mary-Ann Stephenson, campaigns officer for the Fawcett Society, which campaigns for more women in Parliament and public life, welcomed the proposals.

"This could make a difference. Widening the selection procedure so that it is not just about being able to make one big barn-storming speech at one meeting is quite important," she said.

She added that extra training for potential candidates could also help them to put their best foot forward.

Harman plans one-stop shops for unemployed

Colin Brown

Some social security offices will be sold off in a merger with High Street JobCentres, saving the taxpayer up to £100m, under plans by Harriet Harman, Labour's social security spokeswoman, to introduce "one-stop shops" for the unemployed.

The plan fits in with the "simpler and smarter" government promised yesterday by Tony Blair, the Labour leader, and Ms Harman claims they could transform help for the unemployed to get back into work with a saving for the taxpayer.

Ms Harman, who has yet to announce the details, estimates that there could be a saving of £50m a year on administration costs, with a one-off saving of £50m on the sale of unwanted social security offices or JobCentres. "It's not just about saving money. It's about improving the service to the customer."

Under the changes, which have the backing of Citizens' Advice Bureaux, which deal with the problems, claimants would be able to obtain help with their job search at the same time as they applied for their

weekly benefits. The one-stop shops, using computer technology, could also advise on the availability of childcare facilities to enable mothers to seek work, and it could be used for the payment of housing benefit which is currently handled by local authorities. A tougher complaints procedure for customers would be introduced to reinforce the improvements.

"The starting point has to be refocused so that for people of working age, the emphasis will be on getting them off benefit and into work. You have to focus the service to getting smaller, but smarter, government," said Ms Harman.

It would end the duplication of queues, which Ms Harman found in Derby, where claimants have to queue for their benefit in one office, before going into the JobCentre next door to queue again for vacancies. That waste of time and resources, she believes, is repeated across Britain, and is hindering claimants from finding work. Streamlining the delivery of help for claimants and those seeking work could also help to cut fraud.

DAVID AARONOVITCH

Long quest for the simple answer

"Questions" in the House of Commons are not the same as questions elsewhere. Outside (doubtless a consequence of our education system), the word suggests something to which an "answer" might be forthcoming. This convention stops at St Stephen's entrance; after nearly two decades in power this lot of ministers have perfected all the other, less revealing, ways of dealing with the impertinences of implied criticism. For the first 10 years, of course, it was "when the honourable gentleman's party was in government, the country was five minutes away from insurrection and the blood of white Englishwomen ran red in the streets".

Today, some ministers do not trouble even to refer to the fact that a question has been asked, simply slapping off current Labour policy (or lack of it) by way of response.

One oasis in this desert, however, is transport questions. Here, as yesterday, the chosen technique is not abuse or evasion but extreme long-windedness. True, the replies invariably begin with an expression of astonishment and hurt that the hon. gent or lady opposite should be so ignorant of the facts, or unappreciative of heroic government efforts, as to ask such a hostile question. But then they set to and answer. And answer. And answer.

Take junior minister John Watts, who is capable of immense exasperation on the subject of planting trees next to motorways, and will always sacrifice an unnecessary joke in favour of a lengthy invitation for members to join him in a visit to said trees.

His colleague, John Bowis, is equally unfriendly. He it was who fielded an enquiry from Michael Brown (Con Brig and Cleethorpes) concerning drivers falling asleep on the M180/A180. A study from Loughborough University had suggested that there was "clear evidence that if one travels in an easterly direction towards Grimsby, the road has certain conditions that cause drivers to go to sleep".

Mr Bowis leaned his substantial stomach against the dispatch box, and settled in for a long reply. In general, he told the House, accidents on that stretch of road were low (I half expected to discover that on the German A180 they were much higher, due to the Social Chapter), but there were indeed many incidents of driver fatigue. How could he explain this? Mr Bowis thoughtfully and seriously and slowly outlined all the conceivable options: length of journeys might account for it, he droned, as might road conditions, or - possibly - "drivers not observing the Highway Code". In other words, every factor that might explain any accident anywhere at any time. Personally, I am attracted to the idea that this stretch of road is (for some reason) frequented by acquaintances of Mr Bowis, who - recalling evenings spent with the great man - drift off into fatal reverie.

But hold on a second, you may say. How can you simultaneously complain about dismissive answers from the dispatch box, and over-long ones? And how would you respond to questions from the likes of the sententious Dr Robert Spink, drink-banning half-member from Castle Point? Dr Spink, resplendent in a double-breasted suit (though he barely masters a single breast himself), was asking Tony Newton (Leader of the House) about drugs policy. Would he not commend the efforts of SNAP, "which stands" (said Spink proudly) "for Say No and Phone". I would have paid a year's salary had Newton suggested that Spink might usefully FOAD. "Which stands for..."



AMERICAN EXPRESS
800 700 767
Cards

American Express Services Europe Limited, Reg. Office, Portland House, 1 Stag Place, London SW1E 5BZ, Reg. No. 1633139.

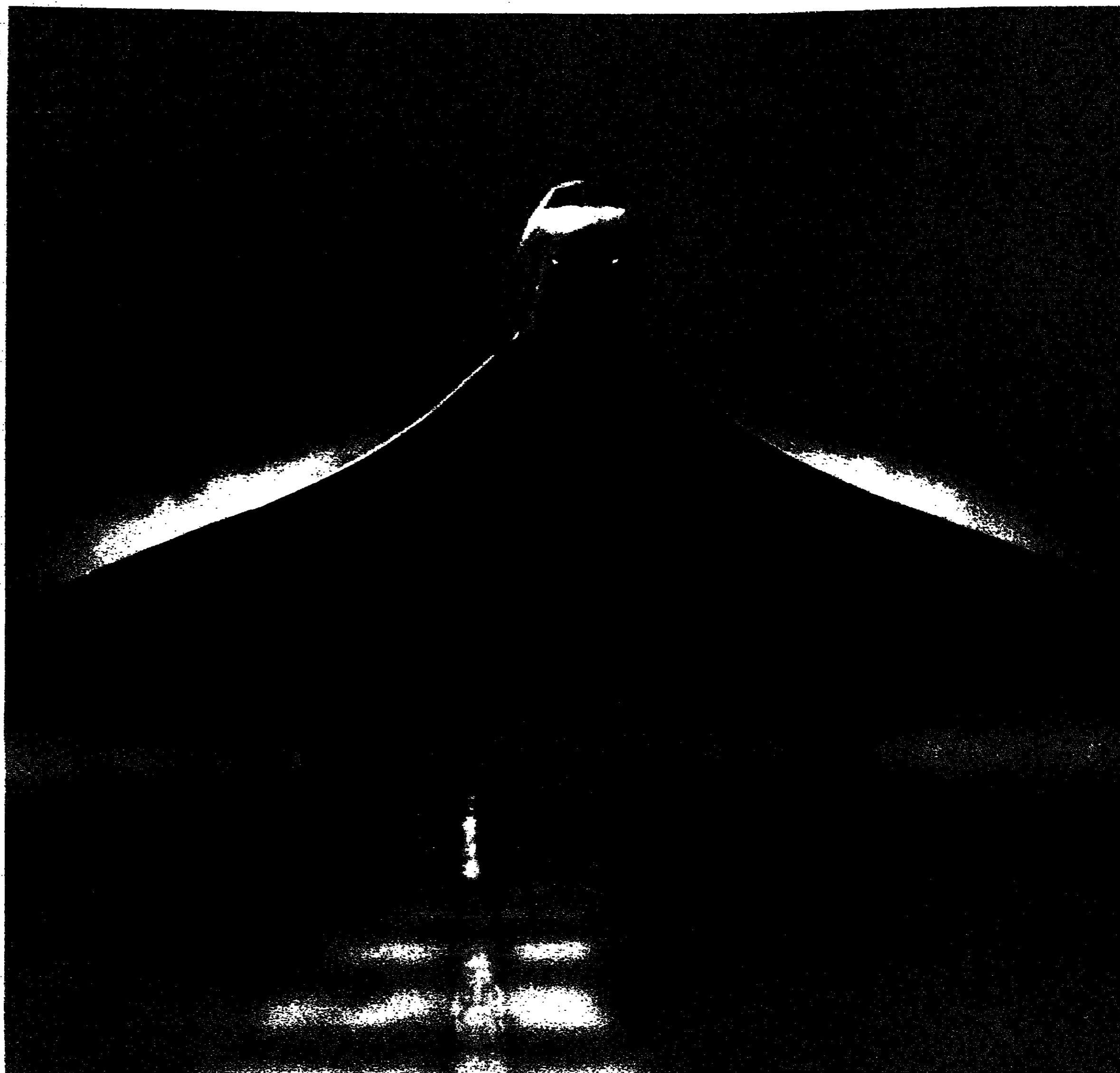
150



Meeting of continents: John Major extolling the merits of Britain as the best place to do business at the Latin America trade conference in London yesterday, which was attended by the presidents of Peru, Brazil and Panama

Photograph: Russell Boyce/Reuters

To catch this offer you'll have to be faster than the speed of sound.



New York return for £10.

To celebrate 10 successful years since privatisation, we're selling 10 tickets on every Concorde flight from London to New York for the next 10 days for a special anniversary price of £10 return. Tickets go on sale at precisely 10pm tonight. Simply call 0345 222 111. God speed.

BRITISH AIRWAYS

The world's favourite airline

<http://www.british-airways.com>

1. The offer is open to everyone aged 18 or over excluding employees of British Airways, members of the families, their agents or anyone else professionally connected with the offer. 2. As soon as all the tickets are sold the offer will end. Callers after this time will be notified by telephone sales staff that the offer is closed. 3. Each ticket will cost £10 plus tax. 4. Successful callers can book a maximum of 2 return tickets of the £10 rate, subject to seat availability and the promotional tickets available each night. 5. Payment must be made by credit card and in full at the time of booking. 6. Bookings can only be made by calling 0345 222 111 after 10pm on 11.2.97. 7. Offer applies to outward flights from London to New York from the first flight on 12.2.97 to the return flight on 21.2.97 and return travel on a Concorde flight which lands on or before 20.3.97. Seats cannot be pre-booked. 8. All flights are subject to availability. British Airways standard conditions of carriage apply, available on request. 9. There can be no refunds, passenger name changes or changes in flight times or dates once tickets have been booked. 10. Successful callers may combine this offer with other British Airways air travel. Any additional flights will not qualify for the normal discount add-on rate. This offer cannot be combined with any other promotion or special offer. No child, infant or agency discounts apply. 11. The offer is for flights only. No ground arrangements are included. Travellers must supply valid passports and visas and are solely responsible for any tax liability incurred as a result of this offer including airport passenger taxes. 12. British Airways reserves the right to make use of successful callers in any related publicity activity. 13. No cash alternative available. 14. Promoter: British Airways, Speedbird House, PO Box 334, Heathrow Airport, TW6 2JA. 15. The names and details of the winners can be obtained after 28.2.97 by sending a SAE marked 'Results' to Concorde Offer, British Airways, Telephone Sales, PO Box 10, Heathrow Airport, TW6 2JA. 16. Individuals can only win one.

news

The justice system is racist, says mother

The mother of the murdered black teenager Stephen Lawrence broke down in court yesterday as she attacked a "racist" judicial system which had allowed her son's killers to cheat justice.

Speaking at the re-opened inquest into his death, at Southwark Coroner's Court in south-east London, Doreen Lawrence described the promising 18-year-old A-level student as "very friendly", "a quiet person" who was "loved by everyone".

But Mrs Lawrence, who saw three white men formally acquitted of her son's street stabbing murder after a private prosecution she brought folded last year, grew more angry as she added: "My son was murdered nearly four years ago. His killers are still walking the street."

She told the coroner, Sir Montague Levine: "When my son was murdered, the police saw my son as a criminal belonging to a gang. My son was stereotyped by the police. He was black, then he must be a criminal and they set about investigating him and us."

Their investigation lasted two weeks, that allowed vital evidence to be lost. My son's



Seeking justice: Stephen Lawrence, who was killed in a racist attack nearly four years ago, and his mother Doreen

crime was that he was walking down the road looking out for a bus that would take him home. Our crime was living in a country where the justice system supports racist murders against innocent people. The value that this white racist country puts on black lives is evident to see since the killing of my son.

"In my opinion what happened in the crown court was staged, meaning it was decided long before we entered the courtroom what would happen, that the judge would not

allow the evidence to be presented to the jury."

Mrs Lawrence's son was stabbed as he waited for a bus in Eltham, south-east London, in April 1993. The family's private prosecution – only the fourth to be brought in 150 years – came after the Crown Prosecution Service abandoned the case against two young men in July 1993, because it believed there was insufficient evidence to secure a conviction.

Mrs Lawrence told the court she and her husband, Neville,

claimed the hearing continues.

Searched for their son after a neighbour told them he had seen the attack. After failing to find him, the couple drove to the local hospital where staff refused to let them see him. He died at 11.37pm – some 40 minutes after their arrival – of a haemorrhage due to stab wounds to the chest and arm.

Mrs Lawrence claimed police officers at the hospital failed to talk to the couple until the next morning. "No one told us anything at that stage," she said and accused officers of being "very patronising" towards her and dismissive of her information.

She said that when she first visited the police station, she tried to present an officer with a list of names of possible people involved. "He folded the paper and rolled it into a ball in his hand. I asked him if he was going to put it in a bin. At the time they were not taking my son's death as seriously as they should have done."

The coroner told the jury that the teenager had left a 150-yard trail of blood before collapsing unconscious and lost "an awful lot of blood" as he tried to flee.

The hearing continues.

Loophole in seat-belt law

Randeep Ramesh
Transport Correspondent

Children's lives could be put at risk by cash-strapped local authorities and irresponsible coach companies exploiting loopholes in new legislation designed to make journeys to school safer, safety campaigners claimed yesterday.

The laws enforcing fitting of seat-belts in minibuses and coaches carrying three or more children came into force yesterday. The Government was forced to act after a series of accidents which included the No-

vember 1993 M40 minibus crash in which 12 children and their teacher were killed.

However, both safety campaigners and industry lobby groups said they were "concerned" about the new legislation. "There are certainly loopholes in the law for older coaches. We expect responsible operators to work within the spirit of the law," said Simon Posner, a spokesman for the Confederation of Passenger Transport, which lobbies for the coach industry.

Under the laws there is no requirement that seat-belts added to older vehicles have to be checked by experts. Last year, inspectors for Royal Society for the Prevention of Accidents (RoSPA), found one company had used exhaust brackets to fit seat belts.

Experts also point out that although coaches have to fit seat-belts, no operator has to check children are wearing them.

RoSPA and the bus industry wants the Government to pay for "escorts" to ensure children are strapped in. The Department of Transport later said it would shortly produce proposals for inspecting the belts.

① Call the TSB Mortgage QUOTATION LINE.

② Go hunt that house.

Find out what you can borrow, BEFORE hunting.

The call is free, the quote is free, so why not ring TSB PhoneBank for more information.

CALL FREE ref: INH1 **0500 758 000**

Mortgage Quotation Line

TSB We want you to say YES

Calls to PhoneBank may be recorded and monitored. A TSB cheque account is required. Assignment/assignment of a suitable life policy may be required by the Bank as security. Applicants must be aged 18 or over. All loans subject to status. Not available in the Channel Islands. Written quotations are available on request by calling 0500 758 000. TSB Bank plc and TSB Scotland plc are representatives of the TSB Marketing Group which is regulated by the Personal Investment Authority only for TSB life insurance, pensions, unit trusts and offshore investments. Advice or recommendations relate only to the investments of the TSB Marketing Group. TSB Bank plc, Victoria House, Victoria Square, Birmingham B1 1BZ. Registered in England and Wales. Number: 1089268. TSB Bank Scotland plc, Hony Duncan House, 120 George Street, Edinburgh EH2 4LH. Registered in Scotland. Number: 95237.

YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER LOAN SECURED ON IT.



Tuned in: Some of the 5,000 primary-school children from all over London who yesterday swarmed into the Royal Festival Hall for the Lollipop Proms, to play music from the whole sonic spectrum

Photograph: Nicola Kurtz

Inmates may be put in police cells

Patricia Wynn Davies
Legal Affairs Editor

Britain's jails will begin overflowing next month, causing the Prison Service to resort to costly police cells unless controversial plans for a floating jail get the go-ahead, Richard Tilt, the director-general, warned yesterday.

Speaking at the service's annual conference in Manchester, Mr Tilt said the population of the 135 establishments in England and Wales was likely to reach about 60,000 by next month, exceeding their total capacity. But Weymouth and Portland borough councils voted last week to oppose plans to moor the prison ship *Resolution* in Portland Harbour, Dorset.

Without the ship, Mr Tilt warned: "We will probably go into police cells around the middle of March."

Police cells cost up to £300 a night, six or seven times the cost of keeping a prisoner in a jail. Mr Tilt warned a meeting of prison governors earlier that the

prison population would hit 62,000 later this year. If the current rate of increase was maintained it would reach at least 66,000 by 2000.

Lancaster City Council yesterday deferred discussions of plans to use a former Pontin's holiday camp at Heysham, near Morecambe. The site is close to two nuclear power plants, Heysham 1 and 2, and the Prison Service must draw up plans to safely and speedily evacuate the site in the event of an accident.

However, the councillors decided to defer the matter until the service had concluded discussions with HM Nuclear Installations Inspectorate.

Prison officials had intended to ship over their newly acquired jail from its current home on the Hudson River in New York and berth it in Portland Harbour next month until the local councils refused to give it planning permission.

It was estimated that the floating prison will cost more than £4m of taxpayers' money.

New scare fuels baby milk fears

Glenda Cooper
Consumer Affairs Correspondent

A second brand of baby milk has been withdrawn following cases of salmonella poisoning among French babies. Two batches of the product Lemiel 2, made by Milupa, on sale in France only, have been taken off the market after two cases of salmonella anatum were confirmed.

The milk is made in the same factory as Milumil, the formula brand withdrawn from sale in the UK and Ireland after 10 babies in Britain suffered the same infection.

A spokeswoman for Milupa, now owned by the Dutch company Nutricia, said yesterday that no link had been confirmed between the Milumil case and Lemiel 2 but the batches were being withdrawn as a precautionary measure.

"It was thought the wisest thing to do while the Milumil investigation was going on."

An inspection of the Colmar

factory in France where both brands are made had been undertaken by the French authorities. UK experts from the Department of Health, and Milupa's technical-quality team, which had yet to find traces of salmonella. Some results of laboratory tests were still awaited. "No other product is suspected or linked. We do not know of any other cases," added the spokeswoman.

Patrīcīa Rundall, international co-ordinator for Baby Milk Action, called for the Government and the European Commission to instigate tests on the Colmar and all other baby-food factories and for all breastmilk substitutes to carry warnings.

"Nutricia and Milupa have spent millions of pounds on promotion which has minimised the risks of artificial feeding," she said.

"Since all dairy herds have salmonella and other contaminations intermittently and it takes only a very few organisms to infect a formula-fed infant, parents should be aware of the risks they when buy these products."

In the red soil of Angola, twenty million land mines.

For a young aid worker, James Jordan, one step too far.

For his mother, Molly, the start of a journey that will change her life for ever.

Who killed James Jordan?
Where does the blame really lie?

GRAHAM HURLEY

AN OUTSTANDING THRILLER WRITER

THE
PERFECT SOLDIER

OUT NOW IN PAPERBACK



Sci...
rock
help ti...
sta...
to twi...
amide...
polli...

Police...
test...
stop...
sea...

Patricia Wynn Davies

DAILY
The Poplar and the

Scientists of the rockpool help tiniest starfish to twinkle amid the pollution



Rare sight: A pair of the tiny brooding cushion stars sharing a rock pool at West Angle Bay with their larger cousin, the cushion star. Photograph: Rob Stratton

Nerys Lloyd-Pierce

A rare species of tiny starfish virtually wiped out when the Sea Empress tanker shed more than 70,000 tonnes of crude oil on the Pembrokeshire coast 12 months ago may be getting a helping hand to regenerate its numbers thanks to a sophisticated process of DNA match-making.

The brooding cushion star -

so named because it incubates its eggs - was flourishing in rock pools at West Angle Bay until heavy pollution from the tanker reduced numbers from an estimated 150 to approximately 12.

More seriously still, the remaining Pembrokeshire population failed to breed last year and the end of its three- to four-year life cycle is now approaching. According to experts

from King's College, London, and the Field Studies Council who have been monitoring it, the Welsh cushion star is considered to be functionally extinct without man's intervention.

"The hermaphrodite brooding cushion star needs to aggregate in order to breed," Dr Roland Emerson, senior lecturer in biology at King's College, explained. "Even if they are only separated by a few metres within a rock pool they cannot locate each other in order for this to happen. Surveys carried out four months and eight months after the spill indicate that the

remaining population is too widely scattered for reproduction to take place."

The only hope of regenerating the colony in West Angle Bay - where it was first identified as a separate species in the mid-Seventies - is by extracting DNA from its tube feet and from those of specimens inhabiting similar terrain in south Devon and creating a genetic picture to see if the two are sufficiently compatible to breed.

Andy Simms, assistant warden and deputy director of studies at the Field Studies Council's Orielton Field Centre, Dyfed, hopes compatibility can be confirmed as he is anxious about the long-term consequences for the rock pool community in the bay should the starfish disappear.

"The removal of any organism can be a negative thing as the stability of the marine community living in those pools is inevitably weakened," he said. "It is rather like the house-of-cards effect: keep taking the cards away and eventually the whole thing will collapse."

Whether or not the brooding cushion star is a keystone species has yet to be established, but one of the reasons this site is extremely special is because it is so rich in terms of biodiversity and it would be a great pity for that abundance to diminish."

Police fail test over stop and search

Patricia Wynn Davies
Legal Affairs Editor

A dramatic reduction in the use of stop-and-search powers by police produced a better rate of arrests while maintaining crime clear-up rates, according to research published yesterday.

The results will put pressure on police forces to reduce the number of stop and searches, which have caused particular discontent among the Afro-Caribbean community following suggestions of victimisation of black youths.

In the first experiment of its kind, a comparative study between two similar Metropolitan Police divisions found that a 52 per cent reduction in Police and Criminal Evidence Act searches conducted in Tottenham, north London, produced a higher ratio of consequent arrests but did not appear to damage clear-up rates. In the other division, Vauxhall, south London, and nationally, searches increased during the study period, which ran from July 1995 to June 1996.

Numbers searched in Tottenham fell from 7,334 to 3,533. Although arrests also fell by 45 per cent, the proportion resulting from searches rose from 10 per cent to 12 per cent. Although similar in size, social and economic factors, police divisional strength and organisation, the numbers stopped in Vauxhall were 7,443 - similar to the previous year.

Two key distinctions between the two areas appear to account for the wide disparity in the use of the power. During the study, which was conducted by the National Association for the Care and Resettlement of Offenders for the Haringey Community and Police Consultative Group, anyone stopped in Tottenham

was given a leaflet explaining the police powers being used and the individual's rights. Those stopped in Vauxhall were not.

In addition, searches had been removed as a performance indicator in Tottenham, while the division had improved targeting of suspects and given a commitment to improve relations with the community. Searches remain a performance measure in Vauxhall.

The study found that 45 per cent of those searched in Tottenham were black, although black people account for only 24 per cent of the local population. Bernie Grant, Labour MP for Tottenham, said: "I have never argued that the police should not have the power to stop and search when they have real cause to suspect criminal activity. But unnecessary use of stop and search has now become so extensive as to amount to an abuse of civil rights."

David Gilbertson, a Metropolitan Police commander and formerly Division Chief Superintendent at Tottenham, says in the foreword to the report that the leaflet initiative had led to "a marked reduction in the level of stop and search without any appreciable loss in terms of effective policing".

Ann Dunn, one of the report's authors, said the leaflet "made some officers think twice about stopping somebody".

Tottenham's decision to scrap stop and search as a performance indicator in favour of a "quality, not quantity" measure is also likely to have played a significant part.

Stop and search was "a contact sport for officers", which was highly competitive between teams trying to outdo each other, one senior Tottenham officer told the researchers.

DAILY POEM

The Poplar and the Passer-By

By Vasko Popa, translated by Anne Pennington

*They're widening the street
Clogged with traffic
They're felling the poplars*

*The bulldozers take a run-up
And with a single blow
Knock down the trees*

*One poplar just trembled
Withstood the iron*

*The bulldozer pulls back
From her noisy
Prepares for the final charge*

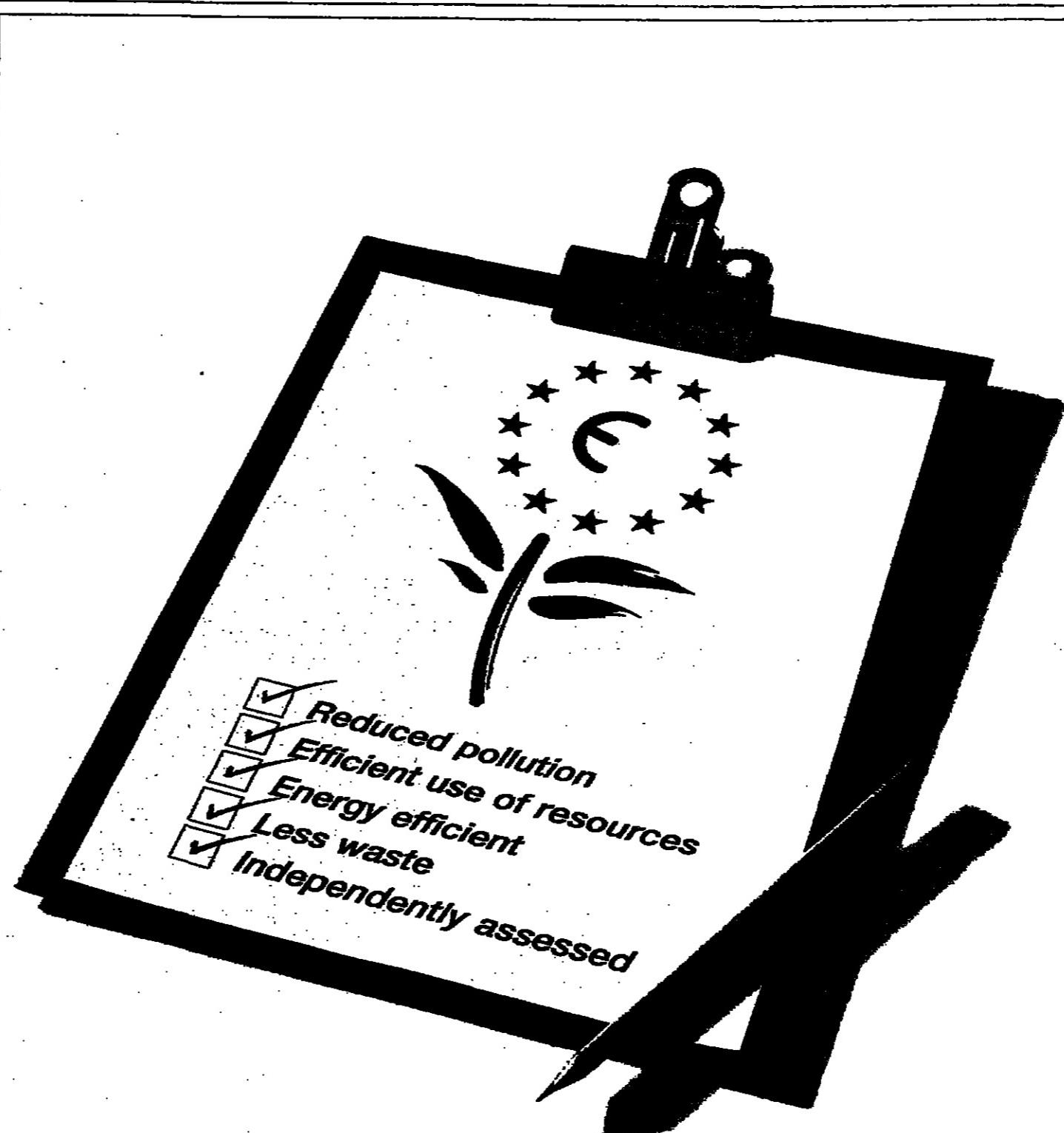
*In the huddle of passers-by
There's an elderly man*

*He takes his hat off to the poplar
Waves his umbrella at her
And shouts at the top of his voice*

Don't give in love

Writing about the developing work of the Serbian poet Vasko Popa (1912-1991), Ted Hughes has called it "one of the most exciting things in modern poetry". Popa's *Collected Poems*, which first appeared in 1978 in Anne Pennington's translation, has now been revised and expanded by Francis R. Jones. It is published by Anvil Press at £22.

RILEY
BITER
IER



Tried, tested, and better for the environment.

The Ecolabel has been introduced to help consumers choose products which are less harmful to the environment.

It is an award for products which have been independently assessed and judged to be better for the environment than others in their category.

If a product has an Ecolabel you know that it meets the European Union Environmental Award criteria.

Choosing a product with an Ecolabel is one of many simple steps you can take to help protect and care for your environment.

To find out more call 0345 86 86 86, or cut out the coupon.

Name _____ Surname _____
Address _____ Postcode _____ Please tick if you would like to receive further information
Send to: Help Your Environment, PO Box 200, Stratford-upon-Avon, Warwickshire, CV37 9ZC

CHOOSING GREENER PRODUCTS... Helping your environment

 ENVIRONMENT AGENCY*

Safeguarding and improving the environment.

*In Scotland - the Scottish Environment Protection Agency.

Supported by
DEPARTMENT OF THE
ENVIRONMENT

news

Dounreay dilemma over shaft used for atom junk

Nicholas Schoon
Environment Correspondent

A deep hole on a remote Scottish clifftop is one of Britain's two most awkward and dangerous radioactive sites. Yesterday its owners, the UK Atomic Energy Authority (UKAEA), announced three more research contracts into how the Dounreay waste shaft can be made permanently safe.

It has promised to present firm proposals to ministers by the end of this year. One option is to freeze the 200ft depth of the water-filled, vertical shaft. But, whatever solution is embraced, the highest priorities will be to eliminate the risk of a chemical explosion or a "criticality" – a runaway nuclear chain-reaction.

For 20 years, starting in 1957,

radioactive waste from Dounreay, on mainland Britain's northernmost coastline, was dropped into the shaft. A volume equivalent to a medium-sized house took the plunge. It has left Dounreay under intense criticism and would never be contemplated today.

In 1977, a hydrogen explosion blew the concrete lid off the shaft, scattering small quantities of radioactive material. Dumping ceased and ever since the shaft has been monitored for any build-up of explosive gas. Were that to happen, nitrogen would be pumped in to prevent a blast.

But this is not a permanent solution; for the next few tens of thousands of years, any escape of waste from the shaft would be highly dangerous. Unless a breakwater is built, and

that too is under consideration, the sea will breach the shaft in about 200 years. Only UKAEA's sealed-off Number One pile at Windscale, Cumbria, site of the 1957 reactor fire which was

Britain's worst nuclear accident, presents greater clean-up difficulties.

UKAEA's Dounreay director, Roy Nelson, said: "Clearly, the shaft is the most challenging

task we face here." A solution will cost hundreds of millions of pounds. Dounreay, 20 miles from John O'Groats, was where Britain spent 40 years trying to perfect the fast-breeder reactor, which turns uranium into plutonium "breeding" its own fuel.

Three reactors were built and all have shut. The programme was killed because of costs, but the site will employ hundreds of people and absorb billions of pounds into the next century. The 15ft diameter shaft was used to haul away rock carved out when a tunnel was bored out to sea, taking Dounreay's liquid low-level radioactive waste 600 yards offshore.

In the 1950s, permission was obtained to use the shaft as a dump for low and intermediate-level radioactive waste. A concrete plug was placed at the bottom to seal the shaft from the tunnel and the sea. Some 10,000 items were taken there from plants and laboratories around Dounreay in flasks. These would open and the waste plunge into the fresh water which had seeped in. UKAEA has been combing old logs to find out what was dumped and has interviewed retired Dounreay workers.

Items as big as lathes went down the shaft. So did glove

boxes, used to shield workers as they manipulated highly radioactive materials. The 1977 explosion was caused by a mixture of sodium and potassium, the volatile coolant in fast-breeder reactors, inadvertently dumped in the shaft. The mixture reacted with water to produce hydrogen. All that was needed was a spark to ignite it and because sodium burns in air, that was readily available.

It will take thousands of years for radioactivity in the

waste to decay to negligible levels. Making it safe in the long term may require pulling it out of the shaft and placing it in a permanent repository. It is too dangerous for people to do, so remote-controlled arms and grabs combined with closed-circuit television will be used. The worst nightmare is a nuclear chain-reaction beginning in a sludge of uranium and plutonium particles which may build up at the bottom of the shaft.

Dounreay scientist Doug

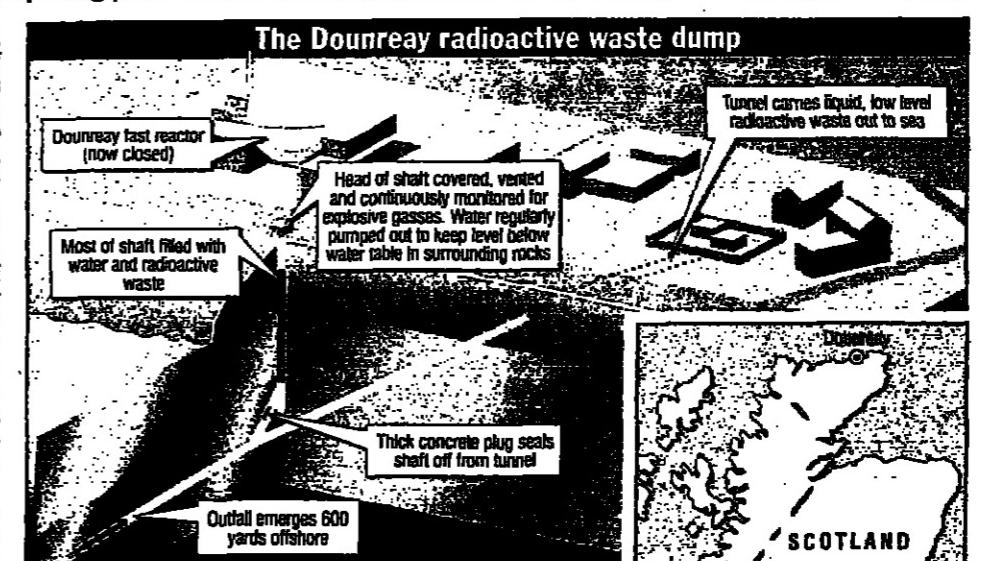
Graham said such a "criticality" was inconceivable in the undisturbed shaft. But any technique devised for removing the waste would have to provide absolute assurance no chain-reaction could happen.

While the ultra long-term solution will probably involve emptying the shaft, UKAEA is also considering interim solutions. One option is to bore holes all around it and pump refrigerants through these to freeze the water and waste.



Hot issue: Dounreay, the site of a clifftop waste receptacle that is one of the most perplexing problems facing the British atomic energy industry

Photograph: John Voos



waste to decay to negligible levels. Making it safe in the long term may require pulling it out of the shaft and placing it in a permanent repository. It is too dangerous for people to do, so remote-controlled arms and grabs combined with closed-circuit television will be used. The worst nightmare is a nuclear chain-reaction beginning in a sludge of uranium and plutonium particles which may build up at the bottom of the shaft.

Dounreay scientist Doug

Graham said such a "criticality" was inconceivable in the undisturbed shaft. But any technique devised for removing the waste would have to provide absolute assurance no chain-reaction could happen.

While the ultra long-term solution will probably involve emptying the shaft, UKAEA is also considering interim solutions. One option is to bore holes all around it and pump refrigerants through these to freeze the water and waste.

Price tag put on tests for head teachers

Judith Judd
Education Editor

Head teachers have told Labour it will cost £45m to fund a compulsory qualification for all head teachers. David Hart, general secretary of the National Association of Head Teachers, has asked for a spending commitment for the full amount from Labour in return for his association's support for a compulsory scheme.

Mr Prescott said Labour backed the plan "in principle" – though final approval would depend on the "fine print".

The £45m will go towards schemes including diverting traffic away from the city centre, new bus facilities, pedestrian and cycleways, and the creation of new public open spaces.

Regeneration chiefs say that the £6.5m, together with a £20m grant from the European Union, the money brings to £63m public sector funding secured by Manchester Millennium Limited – the taskforce set up to oversee the rebuilding work in the wake of the IRA bomb explosion last summer, which injured more than 200 people.

Regeneration chiefs say that

the £6.5m, together with a £20m

bid submitted to the Millennium Commission to create a distinctive "millennium quarter", will "leap in" more than 200

people.

The £45m announced yesterday by Mr Heseltine from London via a video link-up with planners in Manchester, will be channelled through the Department of Transport and Environment.

"Now we have the masterplan, the commitment and the resources to start the rebuilding in earnest, the private sector will now have the confidence to invest," he added.

be prepared to pay for all candidates. We estimate that there would be 15,000 candidates at a cost of £3,000 each or £45m. Failure to provide the money will worsen the difficulties already faced by many inner-city schools in recruiting new heads, he adds.

Mr Hart says the Government chose not to make the present scheme compulsory because of the cost. As a result, some heads will have to find the money from their own pockets.

Heads remain sceptical about the need for compulsion but Mr Hart says they could accept it if the Government provided all the funds and all candidates had the same opportunities to acquire it.

Secondary heads said changes to A-level to be announced today will cost £600m. A new exam, halfway between GCSE and A-level will be introduced to encourage students to sit a wider range of subjects. The Secondary Heads Association said staffing and exam fees would cost more because students would be taking more exams.



A neck injury can mean months of visits to a specialist for treatment. And, if you're not adequately covered, it can also mean months of expensive bills. Some policies don't cover treatments like osteopathy and chiropractic. And, incredibly, some don't give you full cover for basics like specialist consultations and surgeons' fees.

Primecare, from Prime Health offers all this cover and much more – at a price that's equivalent to some companies' budget schemes. On top of which, we're

"What's really painful is not being covered by my health insurance."

Call 0800 77 99 55 now, or fill in the coupon for a no-obligation quote.	
Title _____ First name _____ Surname _____	
Address _____	
Postcode _____	
Phone (inc STD code) Day _____	Evening _____
Date of birth of the oldest person requiring cover _____	
Cover required: Single <input type="checkbox"/> Married <input type="checkbox"/> Family <input type="checkbox"/> Single parent family <input type="checkbox"/>	
Renewal date of current insurance (if applicable) _____	
If you'd prefer a representative to visit, please tick box _____	
Please post to (no stamp required) Prime Health Limited, FREEPOST, G1 2HQ, Catterick, HG1 4BB. http://www.primehealth.co.uk M04 404 NG	

Prime Health

A member of the Standard Life Group

FLAT RATES ALL PRICES ARE IN PENCE PER MINUTE	
SWIFTCALL	SWIFTCALL
Australia 20p	S.Korea 50p
Canada 16p	Malaysia 60p
France 16p	New Zealand 50p
Fiji 99p	Nigeria 70p
Germany 16p	Pakistan 60p
Ghana 70p	Singapore 13p
Hong Kong 40p	S.Africa 40p
India 60p	Taiwan 60p
Ireland 16p	Thailand 70p
Japan 30p	USA 10p
SWIFTCALL B.T. SWIFTCALL B.T.	
Operators are standing by 24hrs a day 7 days a week ready to take your call. Please have your credit card ready. Comparisons against B.T. standard weekday rate. Subject to change at 30 days notice. Prices correct at Jan 31st 1997.	New phonecards available at all good newsagents. Distributors urgently required to cope with massive demand. CALL NOW!

2 THIS IS HOW IT WORKS

- Pre payment of £25 entitles you to £25 of Swiftcall talktime. That's over 4 hrs to the USA.
- Access to our network is easy. All you need is a touch tone phone to call our international exchange FREE from anywhere in the U.K.

CALL US NOW
For information on hundreds of other destinations and to open an account

FREEPHONE 0800 769 0000
Please ask for extension 716

If you are reading this outside UK, call +44 171 485 2001

listen
LOW COST INTERNATIONAL CALLS

USA 10p Australia 20p South Africa 40p India 60p

• NEW PER SECOND BILLING •

Operators are standing by 24hrs a day 7 days a week ready to take your call. Please have your credit card ready. Comparisons against B.T. standard weekday rate. Subject to change at 30 days notice. Prices correct at Jan 31st 1997.

Please send cheques to: Swiftcall, 120 Gloucester Road, St. Helens, L3 8JL, Merseyside, UK.

New phonecards available at all good newsagents. Distributors urgently required to cope with massive demand. CALL NOW!

World
- a
DONALD R. GALT
ESTATE OF RICHARD
Christian

SEE IT

IN

international

Racial conflict: Calls for boycott by British liberals to support plight of black workers on slave wages rejected for now

SA wine growers sip at last chance saloon

Mary Braid
Cape Town

After weeks of vicious debate about racism, slave labour and immorality in the South African wine industry, the Cape wine fraternity finally agreed on something yesterday – no one wants the British to interfere by mounting a post-apartheid wine boycott.

The warning to liberal, well-meaning Britons is the latest

• Platter exposed the exploitation of tens of thousands of Coloured labourers

twist in a saga which began last month when John Platter, the celebrated South African wine writer, lambasted the Cape's all-white wine lands establishment on BBC Radio 4 over its plans to share out 2bn (about £285m) to 5bn rand of assets, accumulated during the apartheid years, among 4,700 white farmers. Mr Platter exposed the industry's exploitation of tens of thousands of Cape Coloured labourers and its barbaric use of political and criminal prisoners as slave labour until the

early 1980s. Yesterday, at his vineyard near Stellenbosch, he was taking nothing back. In a letter to the Afrikaans newspaper *Die Burger* last week he suggested the industry's restructuring – or privatisation – amounted to "looting" and denounced the move as out of step with attempts to redress the injustices of the past.

But he was furious at *Die Burger* reports yesterday associating him with suggestions in a British Sunday newspaper that a European boycott might be in order. "A boycott would be completely counter-productive to producers and labourers," he said. Worse, the boycott obscures the real issues and gives white owners somewhere to hide.

At home, the KWW, the co-operative of vineyard owners which has proposed its own privatisation, has condemned Mr Platter and his wife Erica as traitors. Neighbours have burned copies of the couple's annual wine guide – the bible on South African wine – and local farmers are promising to mount their own boycott – of next year's Platter guide.

Since the early 1990s, he says, the industry has seen some improvements but the vast majority of workers are still appallingly exploited, despite 6 per cent annual growth in the domestic market and a 38 per cent increase between 1995 and 1996 in overseas sales.

But he too rejects the idea of an overseas boycott. "During the years of apartheid my union supported sanctions," he said.

Grapes of wrath: Workers at a vineyard in Paarl, near Cape Town. It is felt a boycott would hit them hard

"But in this case a growing industry and particularly its workers would suffer."

The Platter camp is attempting to force KWW to give up a significant portion of the apartheid-era assets to transform an industry run by whites for whites. They want to bring blacks and Coloureds into management and ownership.

So far they have succeeded in persuading Derek Hanekom, the Agriculture Minister, to halt KWW's privatisation plans while an inquiry takes place. They argue that this is a rare case when doing the right thing is also good for business.

With blacks involved in the business, the pleasures of wine would be filter through to the black community, and boost home sales. That is the dream

of Jubalane Ntangase, currently the only black manager in the Cape wine lands and a one-off in the South African wine trade.

Raised in Soweto, he learned the wine trade while in exile in New York.

He began importing South African wines to the US in 1992 and finally returned to his native country in 1995, where he was hired by the white entrepreneur Dick Einthoven, owner of the Spier Wine Estate.

Mr Ntangase was employed to create a few waves, but like some "token" blacks taken on by big business, his mouth has proved bigger than his boss probably anticipated.

This week the heat is on. The Afrikaans papers is crammed with criticism and still Mr

Ntangase cannot stop talking. On a Sunday – a big day for visitors on the Spier estate, Mr Ntangase sits out; the only other blacks are serving in the wine shop or trailing an endless stream of little blonde girls around a large lawn on ponies.

The wine industry he describes is rotten with racism. He came back to South Africa to realise a dream. "When I was importing, my American customers always asked the same questions – how many blacks were employed in management of estates, how many black owners were there, how many black exporters were there?"

Of course there were none. He came home to change that; to open the business and the product up to blacks. Much is

made of professional whites leaving South Africa. Blacks who returned with skills, only to be hampered by white intrusiveness and invested interests, are somehow invisible. "If you mention black empowerment in the wine industry, everyone cringes," he says.

He is angry at recent comments by a KWW official that wine is always a white-dominated sphere, in any country.

"That's just the sort of thing they used to say when I was growing up. It was the excuse they gave for not paying whites and blacks the same wages. "Look around," he added, gazing across the lawn towards another smart restaurant devout of black visitors. "If I didn't work here as a black man I would never come in."



Photograph: Jodi Bieber

Dubious countries which shook off bad taste

James Roberts

For those whose greatest tipping pleasure comes from what they refuse to drink, rather than what they drink, times are getting hard. With the return of the fruits of the Cape to polite tables and bars, reasons for turning one's nose up at a particular bottle are almost exclusively confined to the effect of a wine on the palate.

Supermarket shelves are groaning with the produce of once-questionable countries of origin, such as Chile, Argentina, Bulgaria and Brazil. But no one gets much exercised about human rights abuses by the government in Santiago before selecting a Chilean red, unless they confuse Pinochet with Pinot Noir. Few remember General Galtieri. The days when port was politically incorrect ended with the 1974 Portuguese revolution; Franco's death put Rioja back on the wine list; retsina came back when the Colonels went.

Bulgaria, it is true, has had some bad publicity recently, with demonstrators in Sofia demanding that elections be brought forward by a year or so, so that they can get rid of an unpopular and incompetent government, but we are still talking timing here, and not fighting for the right to have elections at all.

Only Romania has provided relief recently for conscientious abstainers, with OutRage! and Amnesty International calling on us to switch our brand loyalty away from Bucharest on the ground that the country's recently modified laws on homosexuality are still discriminatory.

The wines of the Commonwealth may offend some refined drinkers, but it is hard to see how they can be politically offend by, say, a Canadian Red or a New Zealand Chardonnay. The last great wine boycott was directed against France during its nuclear tests in the Pacific last year. Australia and New Zealand led the boycott and the impact on France's wine exports was significant.

The great escape.

We don't make you lock up your savings just because we pay you higher interest.



	£500- £4,999	£5,000- £9,999	£10,000- £14,999	£25,000- £49,999	£50,000- £99,999
Direct Line Instant Access Account	4.50%	4.75%	5.50%	5.65%	5.75%
Halifax Solid Gold (90 Day Notice)	3.00%	3.25%	4.00%	4.50%	4.60%
Woolwich Premier 90 (90 Day Notice)	N/A	3.50%	4.20%	4.80%	5.10%
Yorkshire Building Society Key 90 Plus	N/A	N/A	4.55%	5.00%	5.50%

All rates are gross* and correct at 28th January 1997.

- Direct Line offers you instant access and high returns on your savings without locking your money away for up to 90 days.
- The more savings you have the higher our rates.
- You can pool your savings with family or friends for even higher returns.
- If you want more money for your money, call now.



0161 833 1121

LONDON

0141 221 1121

MANCHESTER

GLASGOW

CALL ANYTIME 8am to 8pm Monday to Friday and 9am to 5pm Saturday. Please quote ref. IND43
http://www.directline.co.uk

Savings are provided by Direct Line Financial Services Limited, 250 St Vincent Street, Glasgow, G2 5SH, which is a member of the Deposit Protection Scheme established under the Banking Act 1987 (as amended). Payments under the scheme are limited to 95% of a depositor's total deposits subject to a maximum payment to any one depositor of £10,000 (or ECU 10,000 if greater). Further details of the Scheme are available on request. The gross rate is the rate paid without the deduction of income tax. All rates shown are subject to variation and are based on annual payment of interest. For your added security, telephone calls may be recorded and the recording kept secure. We may also monitor telephone calls with the aim of improving our service to you. Direct Line and the red telephone on wheels are the trademarks of Direct Line Insurance plc and used with the permission of Direct Line Insurance plc.

SEND YOUR LOVED ONE A VALENTINES MESSAGE

Why not place a Valentines message in *The Independent* on 14th February and surprise your loved one on this special day?

CLASSIC FM

The *Independent* will send on your behalf a free C.D. (£14.49 rrp) called "Classic Romance" from CLASSIC FM, together with a reminder for them to look inside *The Independent* for their message.

Simply compose your romantic message and TELEPHONE your message through to us by 4.00pm TODAY (details of how to book your message are at the bottom of this coupon).

You choose one of the following formats:

- Eight words plus the gift costs £19.50, extra words cost £1.00 each.
- For an extra £1.00 you can take an extra line above and below your message OR
- For £6.00 you can have a 3cm x 1 column full display advertisement. Extra centimetres cost £16.00 each.
- All above prices include gift.

Write your message above and tick your option (all prices are inclusive of VAT). If in a foreign language, please attach English translation.

8 words for £19.50 + extra words at £1 each.....

As above with a line of space above and below (add £1.00).....

3cm x 1 column advertisement for £60.....

As above plus extra centimetres (£16 each).....

Your details

Name.....

Address.....

Postcode..... Daytime Phone No..... Postcode.....

I enclose a cheque made payable to Newspaper Publishing plc, or please debit, for the amount of £..... my Visa / Mastercard number..... Expiry Date.....

TELEPHONE 0171 293 2000, 9.30am - 4.00pm

24 HOUR ANSWER PHONE: 0171 512 9366

ALL MESSAGES MUST BE RECEIVED BY 4.00pm today, Tuesday 11th February.

If you do not wish to be sent details on products or services as recommended by *The Independent* please tick here

You won't hold the National air but Air

The Ultimate Connection

ected for now
Dubious
countries
which
shook off
bad taste

James Roberts

For those whose greatest pleasure comes from what they refuse to drink more than what they drink, things are getting hard. With the return of the fruits of the capitalist tables and bars, few, if any, turning one's nose up at a particular bottle are about exclusively confined to those of a wine on the palate.

Supermarket shelves groaning with the products of questionable countries, such as Chile, Argentina, Bulgaria and Brazil. But we get much exercised about anti-rights abuses by the government in Santiago before confusing Pinochet with Pino.

Few remember the Galleria. The days when politically incorrect cadre in 1974 Portuguese restaurants Franco's death put Rioja on the wine list; retsina came when the Colonels were.

Bulgaria, it is true, has some bad public relations with demonstrators in Sofia, demanding that elections be brought forward by two years so that they can get rid of the popular and incompetent government, but we are still getting here, and not fitting the right to have elections.

Only Romania has had relief recently for courageous abstainers, with Oxfam and Amnesty International urging us to switch our loyalty away from Bucharest to the ground that the country's modified laws on homosexuality are still divisive.

The wines of the Commonwealth may offend some drinkers, but it is hard to see how they can be replaced by, say, a Canadian or New Zealand Chardonnay. The last great war was directed against Britain's nuclear tests last year. Australia has responded by the bowdlerised version of France's wine as significant.

ONE
SAGE

CLASSIC M

If a free
"ice" from
you to look

enough to us by 4.00pm

reservable

John Lichfield

Paris

The ultra-right Front National captured its fourth French town hall, in Vitrolles, at the weekend with a promise to run the town for the French, and not for foreigners. Catherine Mégré, the victorious candidate, also promised to run things more cheaply and more efficiently than the Socialists, and to govern according to local needs, not national dogma.

Oddly, her first act as mayor will be to return to her suburban home outside Paris and hand over the government of Vitrolles to obscure, local National Front politicians and officials. Mrs Mégré, who was running on behalf of her disqualified husband, made it clear from the beginning that she wanted to be elected mayor, but not to be mayor. Bruno Mégré, second in command of the party nationwide, has no more interest than his wife in running Vitrolles, a failed experiment in concrete urbanism on the outskirts of Marseille. It will be left to a cabal of local FN supporters to govern the place, presumably following the example set by the three Front mayors elected in nearby towns in 1995.

The Front's municipal strategy, according to the party's chief ideologist – none other than Bruno Mégré – is to "banalise" the party's anti-immigrant, anti-establishment message: in other words to extend the FN's base by convincing voters that it is just



Winning wave: National Front candidate Catherine Mégré after her election victory at Vitrolles at the weekend, with her husband Bruno (right). Photograph: AP

another party, capable of running town halls more efficiently than the other parties.

So what is the FN's record in its other seats of power – Toulon, Orange and Marignane? Town government has not collapsed, as perhaps the Front's opponents might have wished. There has been no wholesale persecution of immigrants. There

has been no obvious gain in municipal efficiency either.

What there has been is a mixture of racism, political vindictiveness and censorship, mixed with the kind of cronyism which is rife throughout French local government. FN opponents – and some non-political locals – also complain of a rising

mood of racial and political intolerance, which they blame on the example set from the town hall.

In Marignane, next door to Vitrolles, the FN mayor, Daniel Simonpietri, claims to have cut taxes and spending. A local anti-political taxpayers' group points out that taxes may have fallen by a few centimes but

spending has, rather mysteriously, risen. One of the mayor's first acts was to abolish the special, pork-free school lunch menus which had previously been provided for Muslim and Jewish pupils. It is this kind of in-your-face racial insensitivity which gives the lie to the FN's claim that it is not a racist party. (The official Front line is that it sup-

ports the rights of French people of all races over immigrants of all races.)

In both Marignane and Orange, 60 miles to the north in the Rhône Valley, the FN-controlled town halls have ordered – in the name of "ideological rebalancing" – local libraries to stock far-right newspapers, periodicals and books, and to cancel subscriptions to allegedly left-wing newspapers. These include *Liberation* which is only just left of centre, and a leftist but respectable regional newspaper, *La Marseillaise*.

In Orange, three out of five social centres – those serving immigrant areas – have closed. Town-hall employees have complained of an "atmosphere of humiliation, persecution and menace" directed against anyone who overtly resists the FN line.

In Toulon, the naval port east of Marseille, and the largest city under FN control, the party record of day-to-day management is poor. Local taxes have risen, despite the slashing of cultural and sporting budgets. The town's traditional Christmas distribution of toys to poor children was switched last year to a new organisation, which gave presents to "French children only". The mayor, Jean-Marie le Chevallier, described as "unfortunate" the invitation of a Jewish writer, Marek Halter, to the Toulon book festival.

Overall, the very fact that the FN is running towns may, as Mr Mégré hopes, "bulldoze" the party, but its record fails utterly to support its claim to be a respectable, pro-French but non-racist democratic movement.

Korzhakov wins seat in Duma

Anatoly Verbin

Reuters

Moscow — President Boris Yeltsin's burly ex-bodyguard, who has promised to reveal the secrets of the Kremlin, broke into politics yesterday by winning a seat in parliament.

Alexander Korzhakov, a former close friend who is now one of Mr Yeltsin's fiercest opponents, won 26 per cent of Sunday's vote in the central Russian city of Tula, according to preliminary results.

The former KGB major took a leaf out of Mr Yeltsin's book for his aggressive campaign, bringing rock stars to the sleepy town and overwhelming the media with his advertising.

He emerged more than nine points clear of his nearest rival, local politician Eduard Pashchenko. Chess champion Anatoly Karpov was just behind in third place and Nikolai Novikov, a businessman who ran his campaign from a prison cell while awaiting trial for extortion, was fourth.

Some analysts predict that Mr Korzhakov will use the platform of the Duma and the immunity from prosecution enjoyed by deputies to step up his fight against Mr Yeltsin, who sacked him and other Kremlin hawks in June.

A close friend of Mr Yeltsin for 10 years, Mr Korzhakov has presented himself as a victim of a Kremlin plot and pledged to unveil "compromising material" against the establishment.



You wouldn't hold the Grand National anywhere but Aintree.

For top thoroughbreds, nowhere's quite like Aintree. And for front runners in all lines of business, nowhere is quite like the International Convention Centre, Birmingham.

Here's a tip. It's the modern facilities, outstanding quality of service, value for money and ease of access that makes the ICC the favourite every time.

So for your next conference, meeting or convention, back the winner. Call 0121 200 2000 for more details today.

The Ultimate Convention Centre
International Convention Centre
Broad Street, Birmingham B1 2EA



**EMPLOYERS. IT'S VERY IMPORTANT THAT YOU
GET YOUR
BOOKLET ABOUT THE DISABILITY DISCRIMINATION
ACT
WHICH HAS NOW BECOME LAW. THE ACT COVERS
ALL THOSE WITH TWENTY OR MORE EMPLOYEES,
TOGETHER
WITH THOSE PROVIDING A SERVICE TO THE PUBLIC.**

For information phone 0345 622 633 (textphone 0345 622 644) quoting Emp/TI/1, or fill in this coupon. To DDA Information Line, Freepost MID02164, Stratford-upon-Avon, CV37 9BR. No. of employees: Under 20 20-49 50-99 100+ Booklet required: What Employers Need to Know What Service Providers Need to Know Would you prefer a guide in: Braille AudioCassette

Name (Mr/Mrs/Ms/Miss)

Job Title

Type of business

Address

Postcode

Telephone

D/EE
Department for
Education and Employment

disability - on the agenda

international

Separatist violence rends Spain with gun and bomb attacks

Government agenda left in tatters as Basques go on offensive, writes Elizabeth Nash

Madrid — Separatist violence ripped through Spain from north to south yesterday when a car bomb killed a man and wounded eight in Granada, a gunman shot dead a Supreme Court judge in the street in Madrid, and a leader of the Basque nationalist party linked to Eta separatists was found dead, possibly by his own hand, near the Basque city of Bilbao.

As the blows fell one upon the other yesterday morning, the King made a rare statement of condemnation of what he called "blind and sterile violence" and the Interior Minister, Jaime Mayor Oreja, cut short a visit to Israel to hurry home.

The events tore to pieces the agenda of the Prime Minister, Jose Maria Aznar, and the leader of the Basque government, Jose Antonio Ardanaz, who met in Madrid yesterday to talk about Basque tax incentives.

A gunman shot the Supreme Court magistrate Rafael Martinez Emperador in the head outside his home in Madrid's smart Salamanca district at lunchtime. The victim was dead on arrival at hospital.

Hours earlier, a remote-controlled bomb blew up a camouflaged truck carrying military and civilian staff into the Armilla airbase, on the outskirts of the southern city of Granada. The blast killed a barber, Domingo Puente Marin, and wounded eight, two of whom remain seriously ill in hospital.

In Mallabia, near the Basque city of Bilbao, police announced the death, which they thought to be suicide, of a leader of Herri Batasuna (HB), the party linked to the separatist organisation Eta.

HB identified him as Eugenio Aranburu, a member of the party's executive, who was due to appear before the Supreme Court yesterday afternoon. Mr



Devastation: The aftermath of the attack in Granada, in which a car bomb left one person dead and eight injured

Aranburu was among 25 HB leaders summoned by the Supreme Court to testify about a videotape issued by the party during last year's election campaign.

The authorities confiscated the tape, saying that it promoted violence. Five HB leaders were imprisoned last week for ignoring the Supreme Court summons — the party has never recognised Spanish courts.

Mr Aranburu's death follows the mysterious death on Friday of an Eta suspect, Jose Maria Aranzamendi, who was found hanged in his prison cell at Alcala-Meco in Madrid. The authorities let 48 hours elapse after Aranzamendi's death before revealing that his hands had been tied behind his back. A

post-mortem examination concluded that he committed suicide, and the Interior Ministry insisted yesterday that he tied his own feet and hands before killing himself. His family have demanded a second autopsy.

Aranzamendi was arrested nearly two years ago, suspected of belonging to an Eta commando group. His death unleashed a wave of violence throughout the Basque country at the weekend, where protest demonstrations in a number of towns erupted into riots and street clashes with the police, causing serious injuries.

His funeral on Sunday at Elorrio near Bilbao turned into a fierce demonstration against the government's policy of dispersing Eta prisoners in jails

throughout Spain. One of Eta's perennial demands is for all their prisoners to be brought nearer home — something the government has been implementing in a halting and piecemeal fashion with selected prisoners considered to be low-risk.

Yesterday's attacks have blown to pieces any attempt for the moment to solve the problem of the Basque violence through dialogue, an objective Mr Ardanaz, the conservative Basque Nationalist Party government leader, is always seeking discreetly to broach with Madrid.

Even the Basque church said at the weekend that it was discussing the possibility of calling for talks between the govern-

ment in Madrid and Eta as a way towards solving a conflict that has claimed more than 800 lives since 1968.

But the Justice Minister, Margarita Mariscal de Gante, yesterday reiterated the government's position that talks were out of the question. Eta, she said, "wants to kill, not to talk".

Recent events, which include the assassination of a military officer in Madrid last month, accompanied by HB warnings that further violence was imminent, suggest that Eta for the moment favours the hard line over the pursuit of dialogue.

The conservative government of Mr Aznar seems as unable to deal with the problem as its predecessors.



Aznar: Was considering tax incentives for Basques

Significant shorts

Greece and Turkey could 'go back to war'

War between Greece and Turkey is a "serious possibility", the Foreign Secretary, Malcolm Rifkind, has warned. Mr Rifkind told BBC Radio 4's *File on Four* last night that Greece and Turkey could "end up going back to war again" if the Cyprus crisis and the dispute over ownership of islands in the Aegean is not resolved quickly. Asked whether there was a prospect of conflict between the two countries in the Aegean, Mr Rifkind said there had been "a real lack of political will on both sides", and added: "[Conflict] has to be a serious possibility."

Press Association

Whitewater rises

James McDougal, President Bill Clinton's former partner in the failed Whitewater real-estate venture, has changed his story in a bid to avoid jail and has told his executors that Mr Clinton attended a meeting in which an illegal loan was discussed, the *New Yorker* said on Sunday. Mr McDougal told the magazine that Mr Clinton was present at a 1989 meeting in which an illegal \$300,000 (£180,000) loan to Mr McDougal's then wife Susan was discussed with David Hale, a businessman who specialised in loans involving the Small Business Administration.

Reuters - New York

Verdict in 'Crown Heights' trial

A federal court jury convicted Lemrick Nelson Jr and a second defendant, Charles Price, of violating the civil rights of a Jewish scholar from Australia who was slain during 1991 racial rioting in New York. The verdict climaxed a trial that began four years and two months after Nelson was acquitted by a state jury of fatally stabbing Yankel Rosenbaum, 29, a Hasidic history student.

AP - New York

Britain supports Serb students

Britain threw its weight behind 20,000 protesting Belgrade students who kept up pressure on Serbia's authoritarian president, Slobodan Milosevic, as parliament prepared to reinstate opposition election gains.

In more evidence of Western displeasure with Mr Milosevic, the British Ambassador to Yugoslavia, Ivor Roberts, visited the student leadership and handed them two personal computers.

Reuters - Belgrade

Croats open fire on Muslims

Croats opened fire on Muslims visiting a cemetery in the divided city of Mostar, Bosnia-Herzegovina, a United Nations official said. Officials reported one person dead and about 40 hurt. The shooting incident on a Muslim holiday occurred after days of increased tensions.

AP - Sarajevo

Riots hit Chinese town

Crowds of young Muslims beat people to death and set ears alight during pro-independence riots in far-western China, a policeman said. Reported casualty figures varied from at least four people dead to nearly 300. The riots last week were the worst to hit Xinjiang, in the province of Xinjiang, since the 1949 Communist takeover, police said.

AP - Peking

Suicide bid backfires

Max Dadashvili was drinking coffee at a cafe in Tel Aviv when a would-be suicide dropped through the roof. Mr Dadashvili, 26, ended up in hospital with a broken back. The 72-year-old man who jumped on him from three stories was unscathed. "I looked very carefully before I leapt to make sure I wouldn't fall on somebody," he told the *Yedioth Ahronoth* newspaper.

Reuters - Jerusalem

Alba
riot
seize
of V

Andrew Gledhill

Japan

Tim Coward

Mem
Israel's

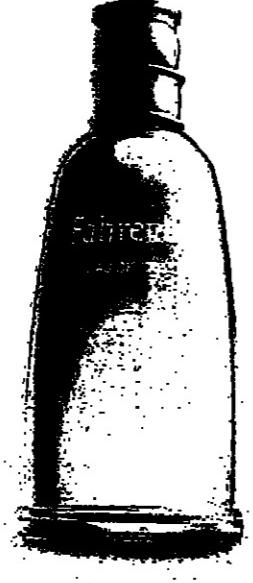
Patrick Cockburn

Landslide

Brian Naylor

Chandigarh A Sikh community's political clout in India's Punjab state is on the wane after a long and bitter struggle, in nearly two decades. The Akali Dal led by the fiery chief minister, Parkash Singh Badal, and its ally the right-wing Hindutva Bharati party (BBP), won 14 seats in the state legislature. The BBP, dominated by Sikhs, dominate the countryside. The combine is formidable, said Ashok Singh, an analyst at the Centre for the Study of Developing Societies in New Delhi.

Christian Dior



Fahrenheit
L'HOMME INFINIMENT.

Get his temperature rising this Valentine's Day. Give him Fahrenheit by Christian Dior and create a memorable moment.

THE DIFFERENTES DE BENHAMNS

Available at most Debenhams stores including Browns of Chester

intel inside

pentium

The Fujitsu LifeBook 550T

Intel Pentium Processor
133 MHz
16 MB EDO RAM
Hard drive 1.3 GB
11.3-inch TFT / SVGA screen
Soundblaster PRO
6x CD-ROM

£2199
ex VAT

LIFEBOOK



It's your life.
So now that
your office can
be anywhere you
choose to open
your LifeBook,
why not go out
and get it back?

Call us anytime on
0345 123 555
or visit www.
fujitsu-computers.com

FUJITSU

PCs • NOTEBOOKS • SERVERS

analysis

How can Britain meet the need for another four million homes?

Build more new towns, the doyen of planning tells

Peter Popham

What with the tree people and the tunnel people, Swampy and Animal and the rest, a hasty scanning of the newspapers may give one the impression that development is something which in this country is no longer possible; that every new road or housing estate, every attempt to nudge history forward as opposed to rolling it back, will be met by the thunderous coalition of young eco-warriors and middle-aged Nimbies.

So to hear someone speak out in favour of full-blooded development policies, in favour of a whole panoply of new towns and villages, served by incredibly fast new rail networks but also, no doubt, by some new roads, is rather shocking like bumping into an advocate of caning or whaling or paedophilia.

But when the person in question is Professor Peter Hall, doyen of British town planners, former chief planning adviser to Michael Heseltine at the Department of the Environment and now chairman of the Town and Country Planning Association, one sits up and takes notice.

Tomorrow evening at the Royal Institute of British Architects in London, in a debate entitled *City, Suburb or Country - Who Cares?*, Professor Hall will explain why he thinks a large number of new communities will not merely be desirable in the next 20 years, but imperative. In his view, sizeable new communities are going to come into existence, willy-nilly, and they will come about in a far more coherent and harmonious manner if they are planned. And he will explain how the arrival of TGV-speed



In the next 20 years, the creation of new communities will be an imperative, says Professor Peter Hall. But there will be opposition from environmentalists - and the NIMBY tendency

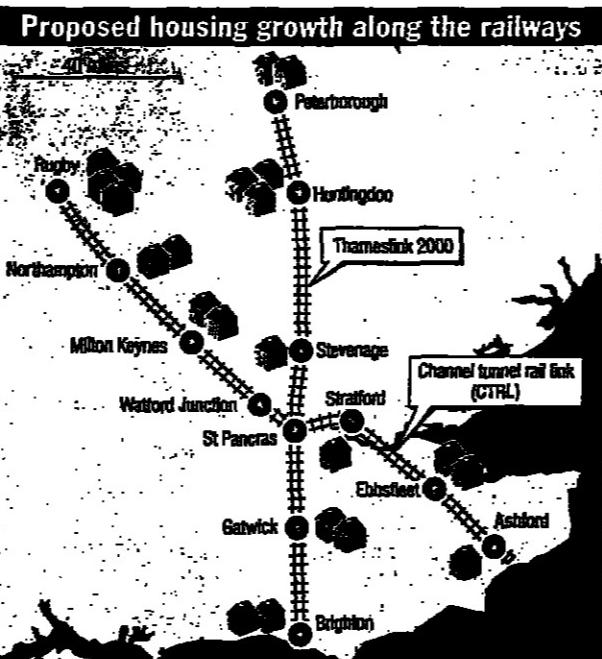
Milton Keynes multiplied

trains in south-east England to serve these new communities will also have a powerful regenerative effect on existing towns and cities that now are deep into their various limbos and twilight.

The trigger for these bold imaginings was the prediction last November by John Gummer, Secretary of State at the Department of the Environment, that by 2020 Britain will be confronted by the need to house 4.4 million new households. The bulk, 80 per cent, the DoE believes, will not be young couples but single-person households: young people of student age, the divorced or separated, and older people who have outlived their spouse or partner. However constituted, it is a formidable number of households to accommodate. It is an irresistible force. But it is headed straight for an immovable object, namely the Nimbyish tendency with which Gummer, who represents a rural constituency and lives in a vicarage in Suffolk, is on terms of intimate familiarity.

Deeply in thrall to the absolute ruralism of the Council for the Preservation of Rural England, Gummer seeks to deflect the irresistible force on to a new (and, praise the mark, fashionable) terrain. Rural England shall remain sacrosanct: if Gummer gets his way, 60 per cent of those 4.4 million households will be decentred into housing in so-called "brown field" sites in the cities - areas of redundant industrial or office buildings, contaminated and derelict land, and so on, which can be converted to residential use.

By suggesting that this is the solution, Gummer has grabbed the coat tails of a real and important trend, namely the revival of the inner city not only as a place to work and play but as a place to live: a historic reversal of the drift to suburban and country living that has been in progress for more than a century. Warehouses and factories, outdated office blocks and ex-seamen's hostels have been imaginatively adapted to residential purposes over the past 10 years, and the trend continues: recently this newspaper's former home north of



the City, an unrepossessing Fifties office block, was converted into luxury apartments.

Peter Hall does not deny this tendency; indeed, he sees it to encourage it. But he flatly denies that it can provide the answer to the needs of Gummer's 4.4 million households. "In the South-east, the projections suggest that more than one-third out of the 1.7 million new households should be crammed into London. But the space is simply not there," Hall insists. He estimates that the most promising brown field site in the capital, Thames Gateway (formerly known as the East Thames Corridor), might take 30,000 new homes. "One has to wonder where exactly the remaining 599,400

homes are actually going to be built," he says.

As Professor Hall sees it, there will be no alternative to building new towns in the countryside. This is the nerve that we must grasp. And the good news, in Hall's view, is that certain entirely fortuitous developments in the railway system will make the attainment of what he calls "the sustainable social city" far more capable of realisation than the rest of us in our pre-millennial gloom are likely to suppose.

Two simultaneous but unrelated rail developments are the key. One is the Channel Tunnel Rail Link (CTRL) being built by London and Continental Railways, on which Hall has been a consultant since leaving

Thameslink 2000, to which Railtrack is committed, which will connect Cambridge and Stevenage to destinations south of London. "It will be a very sophisticated service," says Hall, "with trains which will be coming from far away as Bedford and Kings Lynn feeding into a new station at St Pancras and feeding out to the south coast. It will be a relatively high speed service, with trains travelling at up to 110mph. What you will see with these two schemes is a high-speed metro service of a kind that has hardly existed in the world up to now."

These two new high-speed rail links will provide the infrastructural spine for the new communities Hall envisages.

The model for such a development is even now taking shape along the route of the CTRL between St Pancras and the Kent coast, in the East Thames Corridor. It was Heseltine's (and Hall's) vision of how the arrival of a high-speed rail link from the Continent could be exploited to revive that huge swathe of land, from London's East End to decaying seaside resorts such as Margate and Ramsgate, that has been in the doldrums for the past 30 or 40 years. According to Hall, the realisation of this plan shows that it is a mistake to think new town type developments are a thing of the past.

"If you look at the stuff that's going on in Thame side, Kent is really remarkable. Both the

county council and the local Dartford council are very pro-development in that area and they have revived the development plan. They've even taken substantial land out of the green belt, the sacred cow of the British planning system.

There will be fights even down there - all the tree people and the tunnel people will come out of the trees and into the tunnels. But in general in Thames Gateway, within the corridor, there isn't that opposition."

The idea that urban planning is no longer possible in Britain, that it is a thing of the past, dates from the mid-Eighties: the fact that Mrs Thatcher wanted to get rid of planning was translated into the public perception that she had in fact done so.

This impression has been heightened by the apparent anarchy of developments such as Canary Wharf in London's Docklands, which sprung up on her watch.

But, as Hall tells it, Thatcher's trusty nose for survival caused her to backtrack from her ambition to abolish planning, when she realised that to do so would be electorally risky. Although Maggie Thatcher would undoubtedly have liked to shut the planning system down, and almost said so, she never succeeded. Planning, as a negative device, which it has always been in many areas - defending the rural areas - was actually allowed to survive because trying to dismantle that protection would have

just had them out of office."

Professor Hall proposes to give us a new map of the south of England, full of new towns and villages. Because he is a notorious optimist (it's a rare and refreshing quality), he half convinces us that it is going to happen that the social movement which fuelled the new town movement after the war will turn again like a top.

What the towns will look like is another matter. In the book he wrote in his youth, *London 2000*, first published in 1963, Hall envisaged a megalopolis of "beautiful simple ways", tall buildings clustered around all the major stations, vast pedestrian areas separating traffic from people. Today, while insisting the vision was at least half right, he is more circumspect about prescribing specific styles or looks for the next 20 years.

Whether the new communities Professor Hall describes will be truly sustainable is a tough question to answer.

Ebenezer Howard's garden city idea, which has inspired Hall throughout his career, was

meant to be self-contained and sustainable, but, as Hall admits,

all the garden cities and new towns became commuter bases almost as soon as they were built.

True sustainability may as yet be no more than a buzzword, a pious desideratum which acquires a nasty tinge of authoritarianism (five hotel stay put! don't drive!) when anyone tries to put it into effect. But on one point, Hall is clear: however imperfect a planned solution to the problem of Britain's exploding households may be, it will be far more satisfactory than an unplanned one. "If you don't provide adequately through a coherent regional plan, I think there are going to be two consequences. You'll get a lot of development anyway, but it will be far worse than if you'd done it properly."

The idea that urban planning is no longer possible in Britain, that it is a thing of the past, dates from the mid-Eighties: the fact that Mrs Thatcher wanted to get rid of planning was translated into the public perception that she had in fact done so.

This impression has been heightened by the apparent anarchy of developments such as Canary Wharf in London's Docklands, which sprung up on her watch.

But, as Hall tells it, Thatcher's trusty nose for survival caused her to backtrack from her ambition to abolish planning, when she realised that to do so would be electorally risky. Although Maggie Thatcher would undoubtedly have liked to shut the planning system down, and almost said so, she never succeeded. Planning, as a negative device, which it has always been in many areas - defending the rural areas - was actually allowed to survive because trying to dismantle that protection would have

given the people with what they want. The social housing providers won't be able to get the land they need to build the social housing, and will be in the worst possible locations: crammed on to contaminated land, badly located, next to noisy railways or roads.

Utopianism may be beyond us these days, jaded as we are. But we can still recognise dystopias like this when they appear on the horizon. The question is whether government will have the vision and resolution to take steps to avoid them.

A high speed rail link will revive swathes of land

The second fact is that if you release the land too slowly, the real victims will be the low-income people, who are dependent on social housing, because the market will always operate to give the people with money what they want.

The social housing providers won't be able to get the land they need to build the social housing, and will be in the worst possible locations: crammed on to contaminated land, badly located, next to noisy railways or roads.

Utopianism may be beyond us these days, jaded as we are.

But we can still recognise dystopias like this when they appear on the horizon. The question is whether government will have the vision and resolution to take steps to avoid them.

All at sea with the feel-safe factor

Wether or not Michael Howard ever gets the power to place bugs on unwilling people, we now know that unauthorised bugging of suspicious people already takes place.

I can actually give you an example.

For the past few weeks a bugging device has been placed experimentally in Michael Howard's office at the Home Office. Nobody knew it was there except, of course, my mole who put it there in the first place.

Judge for yourself whether it was a worthwhile experiment from these extracts from conversations on the tape, chosen carefully at random by me.

TAPE EXTRACT ONE
Mole: Testing, testing, testing. One two three... Prison works! Put everyone behind bars! Hang the cost! And hang everyone else as well! Right, let's see if that's working...

Playback: Prison works! Put everyone behind bars! Hang the cost!

Mole: Perfect.

TAPE EXTRACT TWO

1st Aide: What's this meeting going to be all about?

2nd Aide: Search me. He

can't be announcing more prisons, can he? There's nowhere left to put them.

1st Aide: Oh, come on - Howard can always think of somewhere else to put more prisoners. On floating hulks, in old holiday camps...

2nd Aide: Underground at road-building protests...

1st Aide: What is this mania

he has to put everyone behind bars? Hold on - here he comes...

Howard: Right, gentlemen,

without further ado let's get

down to business. And we

only have one piece of

business in front of us.

Winning the election!

1st Aide: With the best will in the world, sir, it is no part of a civil servant's brief to help win an election.

Howard: To win the election

we have to make people feel

they're safe with us. I call it

the feel-safe factor! And to

do this we have to put

various feel-safe factors into

operation, such as cracking

down on illegal immigrants

and keeping Myra Hindley in

jail for ever.

2nd Aide: Isn't there a

danger that this will turn

people in her favour, sir?

Do people really think that

if she is let out now, she is

going to roam the

streets?

1st Aide: But...

Howard: Do it, you

recalcitrant bastards!

Sound of slamming door

Howard: Well, any progress

on the naming of the worst

offender of the year?

1st Aide: Yes, sir. We ran a

just had them out of office."

Professor Hall proposed to

give us a new map of the south

of England, full of new towns

and villages. Because he is

a notorious optimist (it's a rare

and refreshing quality), he half

convinces us that it is going to

happen that the social move-

ment which fuelled the new

town movement after the war

will turn again like a top.

What the towns will look

like is another matter. In the

book he wrote in his youth,

London 2000, first published

in 1963, Hall envisaged a megalopolis of "beautiful simple

ways", tall buildings cluster-

ing around all the major

stations, vast pedestrian

areas separating traffic from

pedestrians.

Today, while insisting the

vision was at least half right,

he is more circumspect about

prescribing specific styles or

looks for the next 20 years.

Whether the new communi-

cations Professor Hall de-

scribes will be truly sustain-

able

A dangerous game to play with Scotland's future

Stephen Dorrell yesterday threw away the politicians' election rule-book. By even implying that a future Tory government might repeal legislation setting up a Scottish Parliament, he has set a dangerous precedent for his party.

First, he may have given himself a lifelong reputation for Anglo-centric arrogance by threatening to overturn the wishes of the Scottish people as expressed in a future referendum. Second, he sacrificed one of the main advantages of incumbency by being drawn into discussion of how the Tories would behave in the supposedly unmentionable event of a Labour victory.

But third, and potentially most nerve-racking of all, he exposed his colleagues to an almost limitless series of supplementary questions between now and polling day: what else are they planning to unstitch when they return after a putative Labour term in office? Scrap the minimum wage? Remove the European Convention of Human Rights from British law? Hand back the windfall tax? Restore hereditary peers to the House of Lords?

Given that Mr Dorrell has strayed, by way of an interview in *The Scotsman*, into this perilous territory, and given that this ferociously ambitious politician is not in fact an idiot, it's worth asking why he did it. Be suspicious of the term "gaffe". It is part of the small change of party politics. But it frequently describes something more revealing, and certainly more interesting, than mere error.

Gaffes are sometimes more premeditated than they look; and even the most serious ones usually happen for a reason. The reason why Mr Dorrell took the risk he did, however unsuccessfully, lies in an inevitable inconsistency at the heart of the Government's approach to the issue of devolution.

For ministers have been relentlessly apocalyptic about the outcome of a Scottish Parliament. Almost in passing, John Major said at his press conference on 7 January that devolution would "lit a fuse" to an independent Scotland and a direct conflict between the Edinburgh parliament and Westminster. But Mr Dorrell, now appointed Mr Major's watchdog-general on the Constitution, has hinted at even darker consequences.

In a speech to the Centre for Policy Studies in November, Mr Dorrell preceded a long passage on devolution by referring portentously to the "bloodstained pages of history" and saying that "the last time the British resorted to the use of force to resolve their domestic political differences was nearly 250 years ago ... It is precisely their record on continuous evolutionary change which is now under threat from Labour's wide-ranging series of half-baked ideas for the constitution". In his *Scotsman* interview, Mr Dorrell's only qualification of this was to admit that devolution "need" not lead to civil unrest. But you can still script the scaremongering party political broadcast now.

Cue Edinburgh, circa 2001. The Labour Party in Scotland, paying the price for the Blair government's deep unpopularity, has been heavily defeated in mid-term elections to the Scottish parliament and a result the SNP is now the biggest single party. Reinforced by a small group of rebel Labour MPs, it has secured a vote in favour of independence in an Edinburgh Parliament which is now in direct collision with the Blair government's insistence that under the terms of the 1998 Scotland Act, Westminster remains sovereign and Edinburgh has no power to declare UDI. There is clever footage of Belgrade-style demon-



Donald Macintyre
It doesn't help the Tory case to suggest what is patently implausible: that a future Tory government would scrap the Scottish parliament

strations in the Royal Mile. We see English students at Scottish universities having their rooms ransacked by angry mobs. There have been hundreds of arrests and British troops have been called in to help the police to enforce order. Headlines in the normally sober *Scotsman* and *The Herald* are predicting civil war.

But there is a big problem for those painting the nightmare scenario, beside the obvious point that Scotland has not resorted to civil disorder during 12 years of having legislation imposed upon it by a government it never voted for. Which is that the Scottish Secretary Michael Forsyth last year admitted, with commendable honesty, that it was "fantasy" to imagine that a future Conservative government could turn the "omelette" of a tax-raising Scottish assembly "back into eggs". In other words, the Tories would not dream of repealing a Scottish parliament. And, of course, few, if any, Scottish Tories think otherwise.

Ian Lang who is even closer than Mr Dorrell to Mr Major, took exactly the same view – in private – when he was Scottish Secretary. And that was before Labour committed itself to the referendum which now makes repeal politically impossible, at the very least without another referendum. And understandably so. One of the reasons that, back in the Seventies, Mr Forsyth and Mr Lang both strongly believed in a devolved assembly was precisely that it could be a vehicle for a Tory revival in Scotland – a country, after all, in which as recently as the Fifties a majority of MPs were Conservative. And that, as they both know very well, still applies.

So that was the problem (one that he himself had played his part in creating) that Dorrell was perhaps subconsciously trying to solve: if the Scottish parliament is so catastrophic, why are the Tories pledged to it in being?

And it's why, instead of warning that devolution would lead inevitably to a reduced number of Scottish MPs at Westminster, or reduced per capita funding, or whatever, he chose to hint at repeat. But in doing so he not only held out what on any sensible expectations must be a highly unlikely prospect, to put it politely, he cut directly across the skilful act that Mr Forsyth has been running in Scotland, inconsistency or not: devolution will be a disaster and, what's more, you'll be stuck with it. Indeed one danger for the Tories about Mr Dorrell's remarks to *The Scotsman* is that they may, if anything, make anti-devolutionists feel safer about voting Labour. After all, if it all goes wrong, that nice English Mr Dorrell will come back and scrap it.

Labour's devolution plans remain open to debate; the West Lothian question – namely, whether it would be justifiable to keep a disproportionately high number of Scottish MPs in Westminster voting on English-only legislation, when English MPs would no longer be voting on similar Scottish legislation – hasn't itself been answered by Tony Blair's sensible decision to promise a referendum. There will be continuing disagreement over whether the Scottish Parliament will cement the Union or bring independence closer – as, for their very different reasons, Alex Salmond, the SNP leader, and John Major both claim. But it doesn't help the Tory case to suggest what is patently implausible, that a future Tory government would scrap a Scottish parliament.

The sensible course for Mr Major would be to stand Mr Dorrell down and leave the Labour bashing, at least as far as Home Rule is concerned, to Michael Forsyth.

Cue Edinburgh, circa 2001. The Labour Party in Scotland, paying the price for the Blair government's deep unpopularity, has been heavily defeated in mid-term elections to the Scottish parliament and a result the SNP is now the biggest single party. Reinforced by a small group of rebel Labour MPs, it has secured a vote in favour of independence in an Edinburgh Parliament which is now in direct collision with the Blair government's insistence that under the terms of the 1998 Scotland Act, Westminster remains sovereign and Edinburgh has no power to declare UDI. There is clever footage of Belgrade-style demon-

Polished poetry and glittering prizes

by Ruth Padel

ICICLES ROUND A TREE IN DUMFRIESSHIRE

We're talking different registers of vulnerability here. These icicles aren't going to last for ever suspended in the ultraviolet rays of a Dumfries sun.

But here they hang, a frozen whirling of lightning, and the famous sculptor I think of in Nevada, at work on the ochre moonswell of a painted desert.

who scrambles the world with his tripod for strangeness *au naturel*, got sunset to fill them. Can't be comfortable.

a double helix of opalescent fir stalactiting round your bark down string on which a sculptor spired

and wedged icicles, working all day

for that Mesopotamian magic of last light before the dark,

suffusing a suspended helter-skelter with horizontal rays, turning it to a mist-carousel from the House of Diamond, a spiral of Perspex, darkening to the blue shadow frost of cedars at the Great Gate of Kiev. Why it makes me think of opening the door to you

I can't imagine.

No one could be less of an icicle.

But there it is – having put me down in felt-tip

in the mystical appointment book,

you shoot that quick inquiry-glance, head tilted, when I open up,

like coming in's another country,

a country you want but have to get used to, hot from your *bal masque*.

making sure

that what you found before's still here:

a spiral of touch and go, lightning

licking a tree, casting itself as Aretha Franklin singing "You make me feel like a natural woman" in *basso profondo*

and fixing the bark with its otherworld ice the way you fire, lifting me off my own floor, sliced round your trunk so that tree gyres

up at an angle inside the lightning,

roots in the orange and silver of Dumfries. Now I'm the lightning now you, you are,

when you pour yourself round me entirely. No who's doing what and to who, just a tangle of spiral and tree.

You might wonder

about sculptors who come all this way

for a thing that won't last.

You know how it is: you fever a day, a whole life.

Then the light's passed, you walk away to the Galloway Paradise Hotel.

Pine-logs, cutlery, champagne – OK,

but the important thing was making it.

Hours, and you don't know how it'll be.

Then something like light arrives last moment, at speed reckoned only by horizon: completing, surprising with its three hundred thousand

kilometres per second.

Still, even lightning has its moments of panic.

You don't get icicles catching the midwinter sun in a perfect double helix in Dumfriesshire every day.

And can they be good?

for each other, lightning and tree?

I'd make anyone, wouldn't it, afraid?

That rowan'd like to sleep and wake up in your arms but's scared of getting burnt.

And the lightning might ask, touching wood,

"What do you want of me now we're in the same atomic chain?"

What can the tree say? "Being the centre of all that you are, that you'd be OK

Being my own body's fine

But it needs yours to stay that way."

No one could live for ever in a suspended gleam-on-the-edge, as if sky might tear any minute.

Or not for ever for long. Those icicles won't be surprise any more. The string blew away.

Glamour left that hill in Dumfries.

The sculptor went off with his black equipment.

Adzes, twine, leather gloves. What's left is a photo of a completely solitary sight.

in a book anyone can open. And whether your touch at the door gets forgotten or turned into other sights, light, form.

I hope you'll be truthful to me.

At least as truthful as lightning, skinning a tree.



Photograph: from *Wood* by Andy Goldsworthy (Viking, £10)

Poets are minor carnivores, preying on their own (and everybody else's) vulnerability. Vulnerability is poetry's stock-in-trade. Now a poem about it has won me first prize in the National Poetry Competition: an unvulnerable-looking £2,000, half of it tax-free. (Only half, because I entered myself. If my publisher had done it, it would be all tax-free.)

Weird. It's not what poems usually do. You work away obsessively several days then tinker over weeks, alternately thinking "This is great", "What a mess". Then suddenly it doesn't want you any more. When a poem wins something you look at its words (I now know) with a new eye. They take up the same space on a microchip, but how much is each worth? I tried to work it out but got dizzy. If I had cut a word, would the ones left be worth more?

Poems don't get that sort of money. They get a bit, never commensurate with work done on them: £25 plus a poetry magazine; £100 from a national newspaper. Four thousand pounds is incommensurate with the entry fee, regretting £5 and a first-class stamp.

The prize-giving at the Poetry Society in Covent Garden last week was a blur: wine flowing an hour after things were supposed to stop, a fairy-tale cheque in my jeans, plus three black boxes containing a Mont Blanc pen and its entourage of inkwell, etc. I shhh told Andrea from Mont Blanc that I usually write with a biro. (I didn't breathe computers.) Oh, she said with the charm of a duchess

That happened the day before the deadline. Then it appealed to me. (Taking Trees?) Whatever next? This is Tolkein going on Traherne.) "You are a mess," I told it. "You need six months' intensive care." I put it in a drawer. Two minutes later I fished it out and sent it off with the entry fee, regretting £5 and a first-class stamp.

The prize-giving at the Poetry Society in Covent Garden last week was a blur: wine flowing an hour after things were supposed to stop, a fairy-tale cheque in my jeans, plus three black boxes containing a Mont Blanc pen and its entourage of inkwell, etc. I shhh told Andrea from Mont Blanc that I usually write with a biro. (I didn't breathe computers.) Oh, she said with the charm of a duchess

putting someone at ease with Bollinger by calling for stout. "We'll exchange it for a bit." But I'll stick with the pen.

"Avoid hearing down too hard when writing," says its instructions. I couldn't part with a pen that tells me that. It has a "special highly expressive nib" and deserves "what you've always wanted to know". The ideal writing position: "The mystical writing instructions include a drawing of an aeroplane. "Always fill your pen completely before travelling by air." Mont Blanc, you see, knows poets write flight-poems under the influence of free spirits.

My pen has a white marigold at the tip, is "designed to fit comfortably in the hand" (Andrea was afraid it might be too big for mine) and "provide a lifetime of writing pleasure". To me, apparently – the illustrations have a man writing to his mate, Bob, about strenuous chess problems. The nib, "adorned with intricate platinum inlay", has a "handmade tip of iridium alloy, rarer than gold and significantly harder than steel".

Wonderful. Wonderful. But I'm worried I might start writing like a man. "The poet Joachim Ringelnatz gave this pen his ultimate tribute". This phrase (echoes of *Funny Hill*) means a four-line address to his awe-inspiring tool.

My pen wants to be polished with a jeweller's cloth, an attention you could give words instead. I always got C for handwriting and have never had a mature relationship with any ink-filled object. I'm not their type. I suppose I'll learn. I've had it five days now but had too much work (on a laptop) to begin with proper awe. One day, I'll fill it.

A real pen, first prize out of 7,000 anonymous poems, money to fill your overdraft – this is what people dream of when they try an Arvon poetry course or a workshop listed in the pages of *Poetry London Newsletter*. (Catch the launch-reading for the next issue, on 27 February, in London's most spookily glamorous venue, the Old Operating Theatre.) "You'll have to write differently now," says Chris Meade, helping me look at my pen.

Chris runs the Poetry Society, its crimson basement, the Poetry Map on the Internet, the award-winning Poetry Café. Well Chris, thanks for everything. When I write now I promise I'll try out recommended positions, and not bear down too hard.

MALE

FEMALE

ANDROGYNOUS
Fashion Spring/Summer
1st March 1997
In association with
PAUL MITCHELL

Order a copy from your nearest newsagent.
THE INDEPENDENT
IT IS. ARE YOU?

Easier to find servants than entrepreneurs

The first of a new series dispelling the economic nostrums on offer from the political parties



by Diane Coyle



UK, and one of the best-known internationally. There is no doubt that it is one of Britain's biggest entrepreneurial successes. But the airline Virgin Atlantic makes up most of the business and accounts for most of the profit. The more exciting and innovative Virgin businesses are tiny.

The recent huge international successes might not be Continental, but they are not British either. The giants of enterprise, such as America's Microsoft and Netscape, or Genentech and Amgen completely outshine the small British technology firms.

Research by Warwick University's Centre for Small and Medium Sized Enterprises shows that in a six-year period the number of new businesses that survived amounted to only 1 per cent of the total number of all companies. This puts Britain behind Austria, Belgium, Germany, Ireland, the Netherlands and Switzerland as an enterprise centre.

That leaves, as the most solid footing for the Government's claim, the notion that overseas investors like to build their factories in this country rather than on the Continent. Inward investment in the UK has indeed been running at record levels. One catch, however: we have to gloss over the fact that outward investment by British companies has also reached a record level, with the UK investing twice as much abroad as abroad is investing here.

The UK's success in attracting foreign

investors also relies on the lure of labour that is cheap for its level of productivity and skill. Others can play the same game, with Ireland and Spain inside the EU and the Czech Republic and Poland on Germany's eastern border offering stiff competition on the same territory.

Besides, to focus on the activities of foreign manufacturers gives an misleading impression of the force driving the British economy. Britain is Europe's domestic service capital. Yes, servants. When it comes to domestic staff, the UK has been creating jobs like nobody's business. Fallen City star Nicola Horlick is not alone in employing nannies and cleaners. According to official statistics, domestic service has been the fastest-growing sector of the economy since the trough of the recession five years ago, up by more than a third in terms of activity. This puts it ahead of various other rapidly expanding and possibly entrepreneurial industries such as air transport, computer services and telecommunications.

What's more, experts predict it will continue to be the fastest-growing area of employment. Warwick University's Institute for Employment Research predicted recently that the main areas of employment growth between now and 2001 will be professional occupations and administration on the one hand, and "personal and protective services" on the other.

business & city

Business news desk: tel 0171-293 2636 fax 0171-293 2098
BUSINESS & CITY EDITOR: JEREMY WARNER

COMMENT

National Express is preferred bidder for ScotRail franchise

Randeep Ramesh
Transport Correspondent

National Express, the coach and rail group, was announced yesterday as the preferred bidder for ScotRail, which runs trains north of the border.

The decision marks the end of the franchising process after a spurt of activity in January saw four franchises sold off in one day. Civil servants admit that the impending election has

forced the pace of the sell-off.

The only remaining franchise in public hands is Railtrack Railways Central, which runs services from Wales to East Anglia. Managers from First Bus and National Express were meeting last night to present their final bids. A decision is imminent.

ScotRail's service will be heavily regulated by the Strathclyde Passenger Transport Authority, which is expected to rubber-

stamp the decision a week on Friday.

National Express beat off rivals Stagecoach, the bus and rail group, Prism, the quoted train company, a management buy-out bid and a consortium including Go Ahead bus group.

ScotRail presented civil servants with many problems. Stagecoach was thought to stand little chance after officials announced it would be referred to the Monopolies and Mergers

Commission if it won. Although the bus company has a 20 per cent share of the Scottish bus market, Brian Souter, the company's executive chairman, said his company would not have bid if there had been insurmountable problems.

The ScotRail rail service generates more than £110m in ticket sales, but also requires a substantial subsidy of more than £240m – mostly to keep its "socially necessary" routes going.

ScotRail could have proved politically difficult to sell as councillors were initially opposed to the sale. However, Patrick Hetherington, the Ofqual official handling the sale, managed to talk round most of the sale's opponents.

Labour-controlled Strathclyde PTA was also instructed by party officials not to delay the letting of the franchise. The party leadership was concerned that having a single train oper-

ating company in the public sector could become a political embarrassment after a Labour victory.

National Express has already successfully attracted passengers on to its Midland Mainline services carrying passengers from London to Leeds with innovative new fares and is now one of the largest groups controlling Britain's railways.

With ScotRail, which is the company's fourth franchise, the

company's rail team will have met senior managers' target of a passenger revenue stream of £300m.

The group has ambitious

plans for ScotRail, including new rolling stock and a refurbishment programme. The company is also considering building a new station at South Dalgety in Fife and looking at plans for an airport link from Glasgow airport to the city centre.

ScotRail will prove a difficult railway to run. Almost half its

Safeway raises card war stakes

Peter Rodgers
Financial Editor

Supermarket competition in financial services was stepped up yesterday when Safeway launched a new interest-paying plastic card account in partnership with Abbey National.

The announcement came as Sainsbury's confirmed that it had received authorisation from the Bank of England to operate its planned joint venture with Bank of Scotland. Sainsbury's Bank, which will be launched before the end of March, will be 55 per cent owned by the supermarket group.

Safeway has stuck closer to the concept used by Tesco with its Club card, by putting its brand name on a card operated by an existing bank, rather than setting up its own bank.

Safeway said it hoped its ABC bonus account card would attract new customers as well as buy the loyalty of existing ones.

Ian Mumby, director of business development at Britain's third largest supermarket group, denied that Safeway was following a trend to move into financial services.

"I think we're doing something quite different from what our competitors are doing. So I would say we're not following, we're leading," he said.

The Safeway account offers 5 per cent pre-tax interest on balances of up to £600. Customers will be able to use the card at Safeway and any of 70,000 stores that accept Visa's Electron on-line debit card.

Cardholders will also collect points when shopping at Safeway, with extra points during the first 12 weeks the account is open.

The cards can be used to withdraw cash from Abbey National's machines and 20,000 others, and customers will have access to a 24-hour telephone banking service.

Safeway said a range of other financial services would follow, which could include a current account with an overdraft and a credit card.

Safeway is working with Abbey towards providing banking within its stores, and other financial services such as personal loans and household insurance.

Electr... 'may ha... com...

On Goodmark

How Dow...

Bank increases pressure on Clarke with renewed demand to raise rate

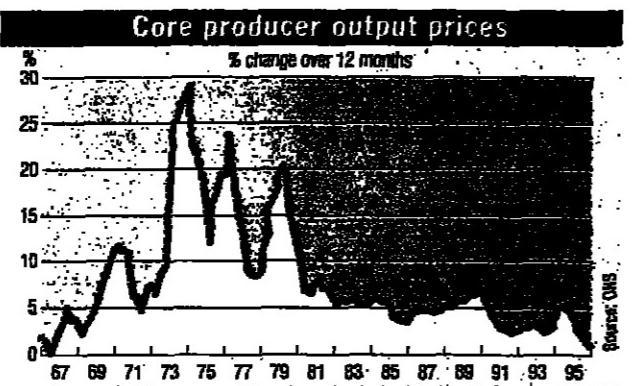
Diane Coyle
Economics Editor

The Bank of England is poised to raise the stakes in its clash with Kenneth Clarke with a renewed demand, in its Inflation Report tomorrow, for interest rates to rise. But the Chancellor is now widely expected to put politics first and avoid increasing borrowing and mortgage costs before the election.

Treasury officials admit privately that the Chancellor has not paid any attention to their internal advice for some weeks. "We don't know ourselves what he's going to say when he goes into the monthly meetings," said one.

Some Treasury officials, like the Bank of England, believe that the strength of the economy means base rates ought to rise to keep inflation on course for its target in the longer term.

One Treasury adviser, "wise person" Tim Congdon of Lombard Street Research, went further yesterday. In a report to clients he wrote: "British monetary policy is deviant and irresponsible, just as it has been



remained below last summer's rapid pace.

The British Retail Consortium said the strong pound meant tourists visiting London were doing less shopping. Food and drink sales were weak but the sales performance in other areas was good. Andrew Higginson, chairman of the BRC's economic affairs committee, said: "The latest figures point to a healthy picture for the economy as a whole. The value of retail sales has now stabilised."

Separately, official figures yesterday showed that the increase in "core" prices charged by manufacturers was 0.6 per cent in the year to January, the lowest rate of inflation at the factory gate since 1967. Output prices rose 0.3 per cent during the month before adjusting for normal seasonal variations – a very subdued increase at the time of year when manufacturers usually push through increases in their list prices.

A decline of 0.6 per cent in the price of raw materials in January, in large part due to the strength of the pound, helped explain the extremely good output price inflation figures. This took them to a level 6.2 per cent lower than a year earlier.

Analysis in the City said the latest economic news had vindicated Mr Clarke in the eyes of the financial markets.

"These figures were truly excellent from the Chancellor's perspective," said David Owen, an economist at Kleinwort Benson. "The exchange rate is clearly having a bearing on the economy."

Michael Dicks, UK economist at investment bank Lehman Brothers, said: "The Bank of England will have to make out the case for ignoring the rise in sterling since its last Inflation Report. It will not be as persuasive this time around."

Although some City experts agree with the Bank – and Treasury – view that base rates should go up now for the sake of the longer-term inflation target, most expect to see very favourable inflation figures for the next few months. "Short-term there is no reason to worry about inflation," said Kevin Darlington at Hoare Govett.

G7 view of exchange rates boosts dollar

The dollar gained ground after an early dip yesterday as financial markets absorbed the meaning of the weekend's communiqué on exchange rates from the Group of Seven (G7) industrial countries, writes Diane Coyle.

An upbeat annual report on the economy from the White House's Council of Economic Advisers confirmed the market sentiment that the underlying state of the US economy warrants a strong dollar.

The G7 statement said "major misalignments" in exchange rates the ministers had decided to tackle in April 1995 had been corrected. This was seen as a signal that they would be unhappy if the dollar strengthened very much further

against the yen and mark, but equally were not about to intervene in the foreign exchange markets.

The view that the dollar's recent appreciation reflects economic fundamentals was boosted by yesterday's Economic Report of the President, which saw no sign of recession on the horizon. "There is no foreseeable reason why this expansion can not continue," it said.

The tone of the report, issued each February, was extremely optimistic. "The ability of the economy to sustain low unemployment and low inflation is the best it has been in years," it said, claiming that the rate of unemployment below which wages and prices would start to

pick up had fallen and could decline further.

US unemployment has been below 6 per cent, the rate which economists used to think marked the start of the inflationary danger zone, for more than two years. The Council of Economic Advisers is in good company in its view that the so-called "natural" or "non-accelerating inflation" rate of unemployment has fallen.

The Council concluded that the economy's potential growth rate is higher than the 2.3 per cent average predicted for the next five years. "The administration does not think that 2.3 per cent real growth in the long term is the best the US can do. The outcome could be even better."

The tone of the report, issued each February, was extremely optimistic. "The ability of the economy to sustain low unemployment and low inflation is the best it has been in years," it said, claiming that the rate of unemployment below which wages and prices would start to

pick up had fallen and could decline further.

The loss of the USA link-up will deprive BA of an estimated \$100m in extra profits.

But as from this month BA is

free to sell its 24.6 per cent holding in the carrier to other investors in a move which should allow it to at least recoup its original £250m investment. BA was down the value of the shareholding to £125m in 1995.

USAir has until the end of this

week to repurchase the stake itself. Assuming that it decides not to, BA will begin negotiations with its advisers to dispose of the shareholding, probably through a placing in New York. The sale may not be completed in the current financial year.

Meanwhile, the BA chairman Sir Colin Marshall said he expected the economic growth that had fuelled record airline profits in 1996 to continue this year. BA, he added, remained on track to achieve £1bn of cost savings by the end of the decade through its business efficiency programme.

He was speaking as BA reported a 9 per cent advance in pre-tax profits to £113m for the three months to the end of December. The improvement came despite a 34 per cent rise in fuel costs which increased BA's fuel bill by £56m and reduced operating profits to £131m.

The Concorde will cost BA £1m in lost ticket revenue. The £10 return represents a saving of £5,400 on the current round fare. The tickets go on sale from 10pm tonight to the first callers to ring a special number: 0345 222111.

Investment column, page 22

American and BA plan co-operation strategies

Michael Harrison

British Airways is examining ways to begin co-operating early with American Airlines even though regulatory hurdles in the US and Europe are likely to hold up the formal launch of their transatlantic alliance until late this year.

The news came as BA celebrated a decade in the private sector with record third-quarter profits and a special offer of 200 return tickets on Concorde for just £10.

Among the options being considered by BA and Ameri-

cans are to begin sharing facilities at Heathrow and American's US hubs and joint marketing initiatives. BA executives said there were a number of areas in which they could collaborate in advance of the alliance being given anti-trust immunity by the US authorities.

They also expressed confidence that any link-up between American and the Spanish flag-carrier Iberia would not jeopardise the alliance. "Iberia would be a pretty odd bedfellow for us and doesn't have the right image but we do not think American would do anything that would

create difficulties for our alliance," one BA executive said.

BA's code-share agreement with USAir expires at the end of March but BA and American are unlikely to get the go-ahead to merge their transatlantic services until the autumn. The link-up is being examined by both the European Commission and the US Justice Department and Department of Transportation. The European Competition Commissioner, Karel van Miert, has warned he may take Britain to the European Court unless tougher conditions are imposed on the deal.

Mr Van Miert is also contesting BA's right to sell off runway slots as the price for getting regulatory approval, as this would amount to a backdoor form of state aid for airlines.

The loss of the USA link-up will deprive BA of an estimated \$100m in extra profits.

But as from this month BA is free to sell its 24.6 per cent holding in the carrier to other investors in a move which should allow it to at least recoup its original £250m investment. BA was down the value of the shareholding to £125m in 1995.

USAir has until the end of this

American faces pilots' walk-out

David Osborne
New York

Last-ditch talks began yesterday to try to avert a potentially crippling pilots' strike at American Airlines.

A walkout would ground American, the largest domestic carrier in the US, and bring misery to travellers.

American, which is seeking regulatory approval of its proposed partnership across the Atlantic with British Airways, has warned that a walk-out would cost it in the region of \$1bn (£610m) a month, which would wipe out recent profits.

Unless a settlement is achieved at so-called "super-mediation" talks in Washington DC under federal government auspices, the pilots' union, the Allied Pilots' Association, has vowed to declare a strike at midnight this Friday. Union officials have put the likelihood of a strike at about 50-50.

A strike could have a damaging ripple effect throughout the US economy. American accounts for about 20 per cent of US passenger travel and has a large share of freight and mail traffic. Most concerned are cities that are American hubs, like Miami, Chicago and its home base, Dallas-Fort Worth.

It could also cast a chill over

both the Caribbean and Latin America, two regions where American is the pre-eminent US carrier.

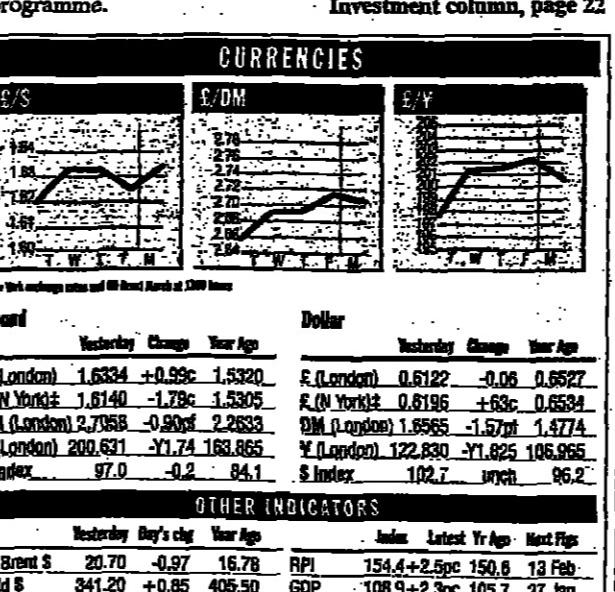
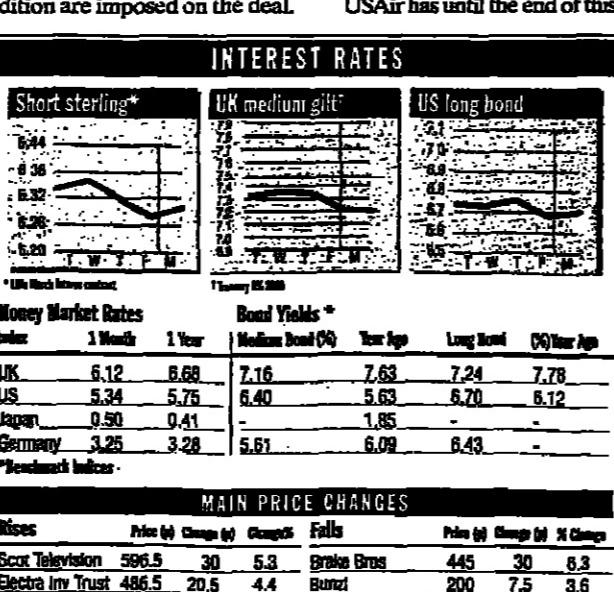
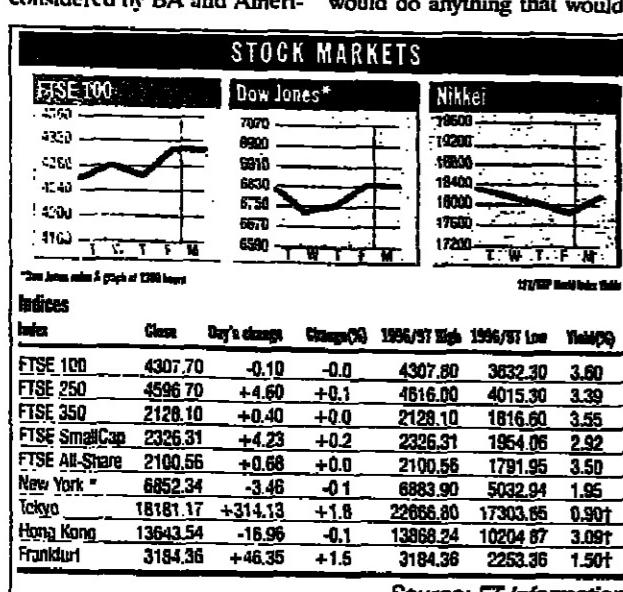
In preparation for the worst, American has already prepared redundancy notices for 90,000 employees who would be placed on emergency unpaid leave.

Also grounded would be American Eagle, the carriers' commuter subsidiary.

The company, which is headed by the irascible Robert Crandall, has also drawn \$1bn from an existing credit line and borrowed an additional \$1bn with its entire fleet as collateral – to provide it with a cash cushion to ride through a strike.

At issue is the pilots' demand for an 11.5 per cent pay rise over the four-year life of a new contract. American, which reported record profits in 1996, is offering 5 per cent. "We are faced with two disastrous alternatives – unacceptably high costs or cessation of operations," Mr Crandall wrote in a memo to employees.

For travellers, it is a nightmare scenario. Friday also marks the start of a public holiday, the "President's Day" weekend, and the start of term for many schools. A strike could leave thousands of travellers either unable to travel or stranded away from home.



Up to 150

Source: FT Information



COMMENT

'Paradoxical as it seems, giving the Bank its independence is the best way to make monetary policy less arbitrary. Its independence will be required eventually in any case if Britain decides to join the single currency.'

Labour shows the way forward for the Bank

Are interest rates safe in his hands? Kenneth Clarke says they are. He can point to the mix of low inflation and steady rather than rapid growth revealed by recent monthly economic statistics. Perhaps he will turn out to be right. But the point is that the reins of monetary policy should not rest in his hands alone. The arrangements rushed in after the failure of Britain's ERM policy in 1992 were supposed to create an institutional framework that would restore the credibility of policy and make the judgements less arbitrary. They have failed on both counts.

The arbitrariness is displayed by Mr Clarke's cheerful dismissal of advice from both the Bank of England and his own officials. In fact, he has disagreed with the Bank for most of the past two years. For part of 1995 and again since last May, the Bank has been much more hawkish – and with reason if you remember that inflation has only been below its 2.5 per cent target for two months during that entire period. Now many Treasury economists have come to share the Bank's diagnosis, and Mr Clarke turns out to be ignoring them too.

As for credibility, its absence is clear in the verdict of the financial markets. The British Government has to pay a lot more to borrow money than any other European government apart from that of Greece. Nor have inflationary expectations in Britain changed very much. There is a simple way of measuring this – by comparing the yield on index-linked and conventional gilts – and

it has fallen only slightly, with UK inflation expected to be above 4 per cent on a 5-10 year horizon.

A new Labour government would set the Bank of England on the road to independence by introducing a Monetary Policy Committee consisting of the Governor, Deputy Governor and six directors reporting to a more broadly-based Court of the Bank of England. If it worked well, the Bank would earn its independence.

Paradoxical as it seems, giving the Bank its independence is the best way to make monetary policy less arbitrary. Its independence will be required eventually in any case if Britain decides to join the single currency. But whether this happens or not, Labour's proposals would, short of their vagueness, be a huge improvement over the present arrangements. These have turned out not to check at all the untrammeled decisions of a Chancellor bowing to political pressures.

A broader – but sensible – range of appointments to the Bank's Court; a policy committee which could deliberate and report in secret, and therefore with honesty, but its minutes published with a delay; and ultimately an independent Bank – it is hard to see the flaw in what Labour is proposing. If there is one, it would surely lie in the Chancellor's ability to pick and mix the advice of the monetary committee. If the committee were divided, for instance, he could choose the option that most suited him politically. The beauty of the present system

is that the Governor's advice is unambiguous. That said, however, these reforms would be a clear advance.

G7 cannot hold back the tide

There was something Camute-like about the cheery statements from the finance ministers who emerged from the G7 meeting this weekend. That's great, they cried to the foreign exchange markets, but don't move any further. Like the Danish king thinking the sea for washing his toes, but warning it not to tickle his ankles, they didn't sound particularly convincing.

The G7 finance ministers were right back in April 1995, when they collectively decided to let the steam out of the yen and the mark. The slow steady rise of the dollar since then in any case reflects the healthier US economy compared to its European and Japanese counterparts. But the idea that the trend will stop here simply isn't plausible.

When credible authorities announce that the economic fundamentals demand a particular (if broadly defined) correction in exchange rates, and convincingly convey their determination to get it by intervening in the markets, then traders take note. Why waste your time betting on a rising dollar if you know the Federal Reserve and the Bank of Japan have the power and the confidence to prevent it happening?

But that is not what is going on here. For a start, the G7 ministers made no mention of co-ordinated intervention this weekend.

More important, even if the finance ministers and central bankers had discussed building a sea wall, the chances are the markets wouldn't have taken them seriously for long. The US economy is growing well, and its fiscal position is strong. Across the Pacific on the other hand, the Japanese are slowly and painfully adjusting their economy to cope with the competitive pressures of the next century. While they are struggling, the yen will remain fragile.

This may be the time for the G7 to start thinking seriously about "target trading zones" for their currencies. Sounds a bit like a global version of the ill-fated ERM, doesn't it? But actually that is the implication of what finance ministers said this weekend. They want exchange rates broadly where they are for the time being. But are they prepared to do what the markets require in terms of intervention and policy to keep them there?

This man is not the next Lord Hanson

Is this a ramp, or what? It is hard to see how the astonishing rise over the last six months in the Lamica share price can be justified, other than on a wing and a prayer. Even if Andrew Regan does turn out to be

the high achieving entrepreneur true believers think he is, even if he does manage to pull off a deal with the Co-op and follow it in swift order with others and even if he does transform those businesses into something they are not at the moment, can he really expect to vindicate the £97m of hope presently invested in the company's stock market value?

If you take the view that Mr Regan is the next Lord Hanson, then possibly. But actually, there's not much reason, so far, to think he is. For a start, he's only 31 years old, and as befits someone of that age, his record of deal making is unspectacular. Right now there's lots of noise and speculation but not much action.

First there was the bid that never was for the mail order firm Freemans. Now this Co-op business. Billed as the deal of the month in a leading Sunday newspaper, the whole thing turned rapidly to farce yesterday. As it happened the Co-op hadn't even been approached. Letters were rapidly drafted and dispatched, but then... well actually we don't want to sell anyway, so get lost.

Mr Regan's supporters say he's a serious guy, he's got some good ideas and backers, and one day soon he'll pull off something big. So far, there's scant evidence of it, however. This is one of those cases of the stock market's propensity to back the man, rather than the company and its business. Steer well clear, for unless you know exactly what you are doing, you'll get your fingers badly burnt.

Electricity firms 'may have to delay competition'

Chris Godsmark
Business Correspondent

The electricity industry regulator may have to consider delaying the launch of domestic competition, planned to start in April 1998, rather than developing special contingency plans, according to a leaked report commissioned by his department, Ofgem.

The document, submitted last month by PA Consulting Group, Ofgem's programme manager for competition, also warns that the two preferred contingency arrangements may be so time-consuming and complicated that they may fail to work on time.

The latest disclosure follows comments last week by Professor Stephen Littlechild, the regulator, arguing that the complex process of transferring customers to alternative suppliers might have to be done manually if newly developed computer programs break down. Ofgem's plan envisages a rolling programme extending competition to 20 million homes between April and September next year.

PA Consulting was asked by Ofgem to come up with contingency plans after doubts about whether the industry would meet this

timetable. Its report, which has been seen by *The Independent*, warns: "Delaying the launch of the competitive electricity supply market is a possible option for all scenarios. Before contingencies are invoked, the relative benefits of contingency plans, versus delaying the launch

solution apparently favoured by Professor Littlechild. Existing bills would be sent out by the RECs in the usual way, except that they would go to the new supply companies rather than direct to households. However the PA report says these new contracts would have to be kept simple and concludes:

"The major concern is that resolving [this] will take too long and the solution will become over complex."

The alternative contingency plan envisages developing temporary trading arrangements between suppliers and the Electricity Pool, the body which manages the wholesale power market. The PA document also doubts whether this would work.

"This option may require changes to the Pool commercial arrangements, including the Operational Framework. Obtaining Pool members' agreement to such changes may prove extremely time consuming, if not impossible, to achieve."

The report says Ofgem will have to decide which plan to adopt by May, with a final decision on whether to implement the temporary arrangements due in September.

The first option involves new suppliers signing temporary bilateral agreements with the RECs. The RECs have suggested that at least a third of the 14 com-



Power plans: Professor Stephen Littlechild says competition can be made to work without contingency schemes

panies involved – 12 in England and Wales plus two in Scotland – are unlikely to have their computer systems ready in time. The fear inside the industry is that the contingency plans may be as difficult to sort out.

The warnings of PA Consulting have been echoed by Andrew Claxton, chief executive of the Pool, which is spending £50m preparing for competition. He told a recent industry conference that the contingency plans could be so unattractive

that they would put off new suppliers from entering the market. Outlining the severe shortage of trained consultants to manage the computer problems, he said developing temporary fallback plans "implies a diversion of resources that can further compound the initial scarcity."

A spokeswoman for Ofgem declined to comment on the report yesterday. She said PA was likely to produce a final version of the document in the next few weeks. This might be made public.

VDC shares slump on profits warning

Magnus Grimond

Shares in VDC, floated on the Alternative Investment Market at 400p in September 1995, crashed to 110p to 165p yesterday after the medical products distributor warned that results would be "significantly below current expectations". The group, formerly known as the Veterinary Drug Company, blamed the problems on Procure Health, a dental supplies distribution business, acquired for £6.1m last April from Enviromed, the biotechnology group driven lately by boardroom strife.

"But under the ownership of Enviromed, the management had put such strictures on the business that it had suffered badly, hence we bought it at a good price. Unfortunately, we are not now going to meet the market's expectations of growth in that business now."

Market forecasts for group profits in the current year to May were cut by £1m to around £1.7m yesterday, only slightly ahead of the previous year's

figure of £1.65m. Mr Rabone said Procure had made profits of £35,000 in the first half and had been expected to make "several hundred thousand" more in the second. They were now expected to turn it into a small loss.

Procure's market share of the dental supplies market, put at around 10 per cent when it was acquired, was now somewhere between 6 and 8 per cent. Mr Rabone said. As well as some loss of share to the operation's two or three bigger rivals, he said the accuracy of market information had been improved.

He said they would not be taking any legal or other action against the vendors of Procure, however Ernst & Young, the group's auditors, have been asked to extend their review of the interim financial statements. Management reporting systems have also been tightened up. VDC's interim results are expected to be released on 21 February.

High price hint for Centrica

British Gas brushed off recent pessimism about its share price performance yesterday when shares in its soon-to-be-demerged supply division, Centrica, began trading near the top end of analysts' expectations of the unofficial "grey market", writes Chris Godsmark.

Centrica shares ended at 70.5p, valuing the company at almost £2.2bn. Official trading begins next Monday, with the split from British Gas to be put to a shareholders' vote at an EGM tomorrow.

Yesterday's indicative price suggests the misery for 1.8 million small investors could be overcome. Previous estimates of Centrica's value had varied wildly, with some analysts putting the share price as low as 25p and others higher than 90p.

Simon Flowers, head of utilities at NatWest Securities, said: "The stock market has come to the conclusion that the assets are quite desirable and the liabilities are not as high as was previously thought."

Shares in BG, the pipeline business, closed on the grey market at 172.5p. British Gas shares were unchanged at 243.5p.

• A joint venture between Tarmac and Amec has won a £100m contract to build a second runway at Manchester Airport. The civil engineers said the runway, which will be almost two miles long, should be operational from spring 2000 and employ around 500 workers during its construction. Manchester Airport, which is facing some vocal public opposition to the plan, forecasts that its expansion will generate around 50,000 jobs for the region over the next 10 years, including 15,000 at the airport.

• Ionica, the company marketing a telephone service to homes based on wireless technology, is planning to extend its network to 3.5 million homes in the Midlands. The company, which is partly owned by Yorkshire Electricity and Northern Electric, launched its service in East Anglia last year. It claims it can undercut BT's domestic charges by around 15 per cent. The first stage of the expansion will be in Nottingham. Ionica has a national licence and plans to cover three-quarters of England and Wales by 2000.

• Canal Plus, the French pay-TV group, said it may eventually be interested in listing its Paris Saint-Germain soccer team on the London stock exchange but that it had no plans to do so in 1997.

• British Telecommunications is confident that "no significant competition problems will emerge" and that its proposed merger with MCI Communications Corp "will be cleared in the next few months". BT directors told an all-party Trade and Industry select committee of MPs that the merger of the two companies will permit their complimentary skills to be deployed to the benefit of customers in the UK, the US and other markets.

• Lloyd's of London will be calling for a further £25.6m from as many as 8,675 of the 34,000 names who accepted its Reconstruction and Renewal offer last summer. This will be payable in addition to the sums indicated in the settlements which the names agreed to. Some £1m related to adverse exchange rate movements since R&R was accepted, which will affect some 6,000 names. Retention of dollar surpluses worth £18.5m in respect of the 1994 and 1995 underwriting losses will affect 2,500 names. The remaining £5m called upon will be paid by around 175 names, and relates to the under-realisation of assets pledged as funds at Lloyd's.

**fuels
fears**

How Dow Jones plummeted in January

The US financial information group is facing a revolt over spending on its Telerate, writes David Usborne in New York

publicised sniping from two members of the Bancroft family that founded and still controls the company, William Cox III and his cousin, Elisabeth Goth.

Last week saw the sudden resignation from the company payroll of Mr Cox, who had been in charge of Dow Jones' global stock indices. While Mr Cox gave no official reason for his decision, he indicated that it would liberate him to fight for a change of direction in the company.

Most urgently at issue is the fate of Telerate, which has been faltering behind the rival global services of Reuters and Bloomberg.

The disappointing share performance has led to widely

bergs Stock of Dow Jones took a beating in late January after the company announced that it would spend \$650m trying to revive the sagging service. Many investors had been hoping instead for a decision to dump Telerate.

Fortune magazine, meanwhile, recently revealed that the prominent New York money manager Michael Price has amassed 5.4 per cent of Dow Jones stock. The magazine last week tried to capitalise on its scoop by placing an advertisement in the *Wall Street Journal*. Dow Jones refused to print it, however.

Mr Price has since spoken out about his disappointment with the decision to spend more money on Telerate and is expected to push for new additions to the Dow Jones board at its annual shareholders meeting in April. "Hopefully, there will be some smart people in there and others are there because it's an underpriced stock."

There has been no confirmation, however, of Reuter's

independence, but the best way to do that is to good corporate governance," Mr Cox remarked.

Of his own decision to quit his post, Mr Cox commented: "I think that it's the right route. It's difficult to work at the company and try to get better shareholder value." He added: "Obviously Michael Price is there and others are there because it's an underpriced stock."

Taking the heat in the dispute is the current chairman of Dow Jones, Peter Kann. A former Pulitzer Prize recipient and famed Vietnam war reporter, Mr Kann may be under pressure in April to spin off Telerate and cut the company's losses in it. There is no expectation, however, that his own position is at risk.

Simon Flowers, head of utilities at NatWest Securities, said: "The stock market has come to the conclusion that the assets are quite desirable and the liabilities are not as high as was previously thought."

Shares in BG, the pipeline business, closed on the grey market at 172.5p. British Gas shares were unchanged at 243.5p.

Are you sitting comfortably?

(You must be in Emirates' new Business Class.)

Comfortable? There's now up to 52" seat pitch on our Airbus aircraft, and our Boeing 777s boast one of the most advanced seats in the sky.

Pampered? There's a personal video, phone, fax and the finest champagne and cuisine. Impressed? We hope so.



THE FINEST IN THE SKY



business

Resignation wipes one-third off Toad market value

Magnus Grimond

Toad, the loss-making car security group backed by Chris Evans, the biotech entrepreneur, saw nearly one-third of its stock market value wiped out yesterday following the surprise resignation of the chief executive, Charles Parker, after just over a month in the job.

The company blamed "irreconcilable differences" between Mr Parker, who joined from the Charter industrial giant at the beginning of January, and the rest of the board. But the group also warned that sales in December and January had been "substantially below budget" due to disappointing trading through dealers and its own network of installers.

Mr Parker, who is on a £170,000 contract at 12 months notice, is to be replaced as chief executive by Kevin Gray, who became a non-executive director following the takeover of his SecurFix company last April.

The shares, which recently moved from the Alternative Investment Market to a full-list-

ing, crashed 19.5p to 41.5p yesterday, wiping £3.3m off the group's former market capitalisation of £10.3m. The group has raised £10.6m in two placings at 90p and 80p a share over the past 14 months, the latest in January, but the shares have been sliding steadily since the start of the year, when they were trading at around 85p.

Mr Evans, who chairs the group and owns around 20 per cent of the shares, said there was "nothing substantive" to account for the departure of Mr Parker. There was "nothing massive. No major falling out. No bombshell," he said. He also dismissed any suggestion of Mr Parker uncovering a "black hole" at the group. "If there was, we would have been obliged to reveal it. It was just a whole number of little things," Mr Evans said.

The second-half loss for the group would be lower than for the comparable period of the previous year, but sales in January and February had been disappointing, he said. They were still on course for around £5m

sales for the year and a loss in the region of £3.5m, roughly in line with previous market forecasts.

He suggested compensation for loss of office would not be large. Mr Parker had resigned and was therefore legally entitled to nothing. "There may be some kind of payment, but it will not be substantial."

Mr Parker had spent several months last year doing what Mr Evans described as "due diligence" before throwing in his lot with Toad. He had been credited with pushing through Charter's highly successful £345m takeover of the Swedish welding rods group Esab in 1994. But it had been clear almost from when he took the reins in January that he was not comfortable in the job, Mr Evans said.

"The leap from a big company to a small one, that's a hell of a leap. Time and time again, people fail in making that leap."

There were said to have been "fundamental disagreements" between Mr Parker and the non-executive directors over the way the group should be



Toad in a hole: Chris Evans (above) said there was 'no bombshell' behind Charles Parker's departure after only a month in charge

taken forward. Mr Evans, whose fortune based on biotech groups such as Chiroscience was put at £60m last year, is one of three non-executives on the

company's board, along with John Morris, a fellow biotech investor, and Derek Whitaker, a former chief executive of the old British Leyland car group.

NFC boosted by prospect of Lynx sale

Patrick Tooher

Shares in NFC rose sharply yesterday after the transport and logistics group announced it was in talks to sell Lynx, its express parcels operation, to a management buyout team backed by venture capitalists at NatWest.

NFC's shares advanced 7.5p to 16.5p on the news, but remain off the 200p reached in recent months.

In a statement NFC said it would be several weeks before a contract was signed because NatWest was currently under-

taking due diligence. A further announcement would be made when the current negotiations were concluded, NFC continued. The deal is expected to net NFC between £30m-£35m.

Lynx, which can deliver parcels overnight in Britain and continental Europe, had a net asset value of around £25m and turnover of £94m in the year to September, when it returned to profitability. It has had a chequered past with losses peaking at over £12m in 1993.

Analysts welcomed the news of the planned disposal. "Lynx is in a fierce and competitive

business and is barely making money but it is on the mend and should clear its net asset price," said Andrew Darke, transport analyst at brokers William de Broe. "Two years ago NFC could not give it away."

NFC, whose activities include Exel Logistics and Pickford transport group, has indicated for some time that Lynx was a non-core business, but management led by Gerry Murphy, who became chief executive in 1995, insisted it was no rush to sell.

Lynx competes against the likes of UPS, Federal Express

and Nightfreight in a highly fragmented UK market where margins are notoriously wafer-thin.

The decision to sell Lynx ends months of speculation about its future within NFC. It is also part of Mr Murphy's strategy to concentrate its UK logistics operations on larger and fewer contracts. Mr Murphy also plans to build revenues in North America and reorganise a series of national networks in Europe.

Sir Christopher recently ruled out selling the European businesses, saying divestment was not an option.

ago, have presided over a wholesale clearout of directors as part of a £50m restructuring programme.

After slumping to a £39m profit in 1995, NFC recovered to make £105m on sales of £2.46bn in the year to September.

NFC is still with a clutch of heavily loss-making businesses on the Continent after its ill-fated attempt to build a pan-European distribution system in the late-Eighties.

Sir Christopher recently ruled out selling the European businesses, saying divestment was not an option.

IN BRIEF

• Peptide Therapeutics' shares soared by 41p to 370p on news of a link with SmithKline Beecham. The pharmaceuticals giant is paying £60m for a 2.8 per cent stake in Peptide and the right to develop and market allergy drugs based on Peptide's technologies. The deal follows last month's acquisition of a £3m stake in Peptide by McDevia in an agreement covering the joint development of vaccines.

• Huntington International, the pharmaceuticals company, reported a return to profit in 1996, making £9.35m before tax compared with a £29m loss in the previous 15 months. There is still no dividend, with the directors stating that "cash resources should be reinvested" to sustain growth. In the US, growth in orders from the pharmaceutical and biotechnology industry is "particularly pleasing".

• Pillar Property has pre-sold almost one-third of its Brommielaw development in Glasgow to British Telecom. Contracts have been exchanged for the development of a 180,000 square foot office building. Pillar's shares rose 11.5p to 221.5p.

• A concert party, including Strand Nominees and Capital Partners, sold its entire 50.75 per cent shareholding in Quilligotti at 20.5p a share. The shares in the building materials group were bought by several institutions and management at Quilligotti. David Scott, the company's chief executive, bought 1.5 million shares, taking his holding to 4.18 per cent. The shares rose 6.5p to 21.5p.

• Unidare, the engineering company, is paying £1.9m for Eland Electrical, the welding accessories wholesaler. In 1995, Eland made operating profits of £237,000 on sales of £4.9m.

• Core Group, the pharmaceutical company, plans to obtain a full stock market listing through a placing that will raise between £15m and £20m. The placing will value Core at between £50m and £60m. The company said the fund raising will enable it to extend development programmes and bring its first product to market. Core develops pharmaceutical products for controlled release of drug substances in the body. Its portfolio is focused on pain management and female healthcare.

• Hadleigh's finance director, Stephen Yapp, is leaving to take the same post at SGB Group, a subsidiary of John Mowlem, which is being considered for partial flotation. Mr Yapp will leave at the end of next month, but will remain available to Hadleigh on pre-agreed dates until the end of July to assist with the completion of the year-end report and accounts.

Company Results

	Turnover £	Pre-tax £	EPS	Dividend
British Airways (Q3)	2.02bn (+1.89bn)	113m (104m)	9.2p (9.1p)	- (-)
Bryant Group (I)	257m (232m)	15.4m (10.1m)	3.7p (2.4p)	1.45p (1.45p)
Dalgety (I)	2.19bn (+1.8bn)	43.0m (69.4m)	9.3p (17.7p)	8.5p (8.5p)
London Industrial (H)	12.6m (10.2m)	3.58m (3.04m)	17.5p (15.7p)	- (-)
Whitbread (Chelseas (I))	11.6m (9.1m)	0.55m (0.37m)	2.15p (1.67p)	1p (-)

(F) - Full (I) - Interim (H) - Nine months (Q) - Third quarter

Queensborough selects Guthrie to build chain

Magnus Grimond

Michael Guthrie, who last October sold his Brightreasons restaurants group to Whitbread for £40m, has been appointed to the board of Queensborough Holdings with a brief to move the leisure group into "casual dining". Mr Guthrie, who made his first fortune floating the Mecca bingo to holiday group, is said to be ready to mount a bid to buy back Brightreasons Pizza Piazza chain from Whitbread.

Mr Guthrie yesterday refused to comment on speculation about this or that he was behind one of the bids for Granada's Welcome Break chain of motorway service stations, which the television to hotels group is being forced to sell following last year's £3.9bn takeover of Forte. He said he could only confirm that he

intended to help Queensborough in building up a restaurant business. However, he emphasised: "One thing's for certain: I am not going into one-offs, I am going to build up a chain."

The stock market reacted well to the appointment, marking Queensborough's shares up 5p to 36p. Up to now the group, which is one of the stock market vehicles of biotech entrepreneur Kevin Leech, has been concentrating on building a caravan site and theme park empire, including Cheddar Gorge. But Stuart Sims, Queensborough's deputy chairman, said yesterday they were not ruling out an approach to Whitbread.

The plan is the creation of new division within Queensborough, alongside its existing businesses, in that exciting area of leisure dining services, as it is called. They had "several op-

tions and we are considering these very carefully at this time", both acquisitions and green field sites, he said.

Queensborough wants Mr Guthrie to spearhead plans to make it a force in high street, rather than city centre, dining. That did not necessarily assume building an enormous chain. Mr Sim suggested: "If you look at people like Burger King, a very dominant player, they have 500 restaurants. Everybody assumes they have thousands of restaurants. If you come to the pricer end of the market, Pizza Express has a relatively small number of restaurants."

Mr Guthrie does not appear to be debarred from other business enterprises by yesterday's appointment. However, Mr Sim said: "He will not be doing anything in that sector which is competitive with Queensborough."

Queens Moat sells 25 hotels

The struggling Queens Moat Houses company yesterday sold 25 hotels for £19.15m to a group of managers backed by Hamptons

European Ventures. The company has now sold all but 51 of its UK hotel portfolio in an attempt to cut debts.

Andrew Sanderson, an analyst at Merrill Lynch, said the price achieved for the 19 three-star County and six four-star Moat House brand hotels "sounds reasonable". However, he added that QMH still had a long way to go, with around £2.47m of senior debt to repay by the end of the year 2000.

The 25 hotels sold yesterday have a total of 1,865 rooms, and made operating profits of £11.2m from £42.5m of sales in the financial year to 19 December.

QMH will use £65.5m of the sale proceeds to repay senior debt this and next year; another £6m will be used to repay junior debt, some £17.5m will be set aside for capital improvements, and the remaining £2.5m will repay creditors.

Occupancy levels and room rates in the Netherlands also increased, while performance in Germany fell.

Mr Sanderson said prospects for further profits growth remained sound.

Dalgety dogged by Pedigree problems and BSE crisis

THE INVESTMENT COLUMN

EDITED BY MAGNUS GRIMOND

It is two years since Dalgety launched a £180m rights issue to pay for the near £500m deal to buy Quaker's European pet food operations. The cash call was priced at 335p. Yesterday the shares were barely above that level, closing up 1.5p at 341p. It has clearly been a rough two years for chief executive Richard Clothier and the jury is still out on whether the business is turning the corner.

At the time of the Quaker deal, the strategy to sell consumer foods divisions such as Golden Wonder and Homepride to concentrate on pet food looked plausible. But a lot has gone wrong since then.

The BSE crisis has hit the group's animal feedstuffs division, the rival Mars-owned Pedigree Petfoods has been aggressive on pricing and the strength of sterling has affected overseas earnings. Integrating the Quaker pet foods business cost far more than originally anticipated.

The wounds were apparent in yesterday's half-year figures with pre-exceptioal profits in the six months to 31 December down £4m to £4.5m. It was the agribusiness division which suffered most, with the BSE-inspired export ban causing excess capacity and increased costs, which were compounded by the strength of sterling.

Though pet food profits held up, the dog food business has been dented by Pedigree's marketing muscle. Dalgety's Felix brand has held off a marketing challenge by Pedigree's Whiskas brand. In dog food it will be hoping that its Winalot re-launch with the slogan "Live a lot, wag a lot, Winalot" raises sales as well as smiles.

With Dalgety's shares a long way south of their mid-1995 high of 480p, the group faces serious questions. The first is whether it can build its pet food business to do battle against Pedigree. Margins used to be measured in double digits in this business but are a long way short of that now.

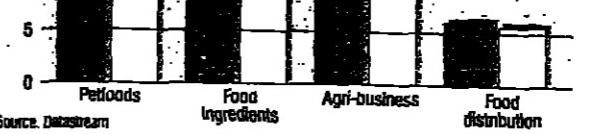
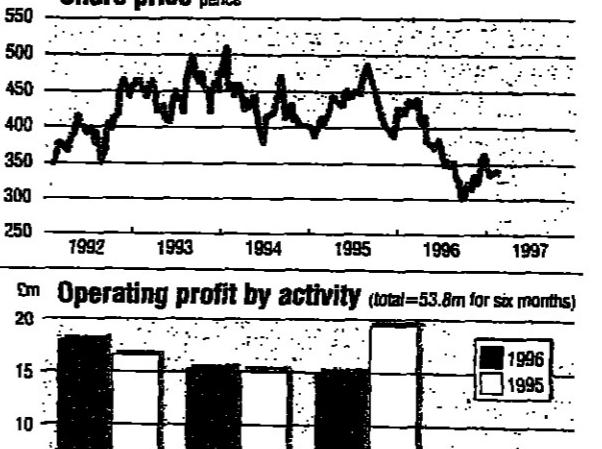
Another question marks hangs over whether the group really needs four divisions. The US distribution business, which is dedicated to McDonald's, seems non-core though Dalgety is unlikely to raise more book value for it. This business has not been helped by the slowdown in like-for-like sales at McDonald's outlets.

True, many of the efficiencies pushed through by BA's chief executive, Bob Ayling, such as packing the accounts department off to Bombari, are yet to show through. Nor can any amount of inspired leadership stop aviation fuel prices rising by a third –

Dalgety: At a glance

Market value: £967m, share price 341p

Trading record	full year	half year
94	95	96
Turnover (£m)	4.5	4.4
Pre-tax profits (£m)	120.1	93.7
Earnings per share (p)	35.2	20.4
Dividends per share (p)	20.2	22.0



Source: Deloitte & Touche

Personal banking... at home. Anywhere.

Worldwide. By phone. Free.

Call us anytime on 0800 00 88 00. Wherever you are, CitiPhone Banking gives you free 24 hour access to your account 365 days a year.

Per No. TINDG01 Cit

market report / shares

Data Bank

FTSE 100	4307.7	-0.1
FTSE 250	4596.7	+4.6
FTSE 350	2128.1	+0.4
SEAO VOLUME	817.8m shares,	
GMS Index	84,453 bargains	
96.32	+0.02	

Share spotlight

share price, price



GMS JASON JEFFREY

Railtrack steams ahead on hopes of secret riches

Railtrack was on the express line as the stock market sensed it could have a tantalising tale to tell at an investment presentation next week. The shares led blue chips with a 16.5p gain to 391.5p, a two-day advance of 34p.

The City has for some time been beguiled by what are regarded as Railtrack's secret riches - largely its property potential.

Some analysts have already come to the conclusion the group could comfortably accommodate a Labour windfall tax. They appear to be relaxed about even a £1bn charge, although a much lower imposition is thought to be more likely.

There is a widespread feeling that Railtrack shares remain undervalued and one stockbroker is thought to be talking about them reaching 475p. The shares were privatised in May when private in-

vestors paid a 190p first instalment and institutions 200p. The rest of the market was overwhelmed by New York Friday's strong late run led to a confident morning session but when Wall Street traded hesitantly in the afternoon Footsie looked increasingly harassed and by the close was limping along with a 0.1-point fall. Still, before the US blues took their toll, it did manage a new trading high of 4,330.

The American connection was also less than kind to LucasVarity and EML. The aerospace and car components group retreated 5.5p to 197.5p as the market continued to ponder how it intends to reconcile the payment demands of its US and UK investors.

EML 25p off at 1,101p was ruffled by indications of poor US sales; nine-month results are due later this month.

Financials remained in de-

mand. SBC Warburg helped sentiment by producing intriguing targets for three leading fund managers. It suggested Mercury Asset Management, its former offshoot, should hit 1,500p; the price rose 26.5p to 1,382.5p.

The investment house also put a 1,550p target on M&G (up 3.5p to 1,380p) and 350p on Invesco (7.5p higher at 314.5p).

Fund managers have romped ahead as the market has awaited a Continental strike. Dresser of Germany and ABN Amro of Holland are two groups thought to be seeking a fund management capture. And just to add to the

excitement Merrill Lynch, the US group, is now said to have joined the chase.

Insurers were again the subject of bid speculation with General Accident up 26p to 872p and Prudential Corporation moving 9.5p higher to 581.5p.

Ashley National, expected to raise the stakes in the battle for Scottish Amicable, was little changed at 780.5p. Lloyds TSB, kicking off the banking profits season on Friday, put on 6.5p to 493p.

British Gas was unchanged at 243.5p as the grey market opened in its two constituents in their when-issued form. BG, the transportation side,

traded at 173p (after 186.5p) and Centrica, the gas supplier, at 69.75p (after 72.5p).

Oils were subdued. Enterprise Oil fell 2p to 872.5p while Merrill Lynch moving its stance to sell. Lower crude prices also hit sentiment; British Petroleum fell 15.5p to 721p.

Football shares were rattled by suggestions from accountants Coopers & Lybrand they were overpriced by as much as £1bn. In the past year the value of football clubs has increased 40 per cent. The accountants have only a handful of cases to justify current valuations.

So Southern Leisure (Southampton), Sheffield United and Loftus Road (QPR) felt the downward tug; even Manchester United gave ground, off 10.5p to 693.5p.

Granada fell 17.5p to 895p as chairman Gerry Robinson sold 57,500 shares at 914p. He now has 301,000.

Storhouse rose 12.5p to

292.5p. Morgan Stanley believes the shares are over the worst and will reach 335p.

Peptide Therapeutics jumped 40p to 369p on an alliance with SmithKline Beecham to develop an oral vaccine and Shield Diagnostic added 23p to 285p despite top-slicing by a venture capitalist.

Profit warnings were again a feature. Tobe, engaged in vehicle security, reversed 19.5p to 41.5p; VDC, a pharmaceutical group, slumped 110p to 165p and Iridia, a computer operation, crashed 45p to 228.5p.

Portsmouth & Sunderland Newspapers jumped 62.5p to 820p in response to a 150,000 share trade at 825p.

Newcomer C&B Publishing continued to push ahead, up another 15p to 180p, and Internet Technology rose 13p to 56.5p as Jan Murray, founder of PC World (now part of Dixons) took over as chairman.

Taking Stock

■ Emerald Energy rose 1p to 5.25p in busy trading. An analysts presentation, due next week, created the excitement. Managing director Peter Winton intends to discuss the company's Colombian drilling programme. There is considerable excitement about Emerald's venture. Stockbroker T Housie says if the wells come up to scratch they would be worth up to 24p a share; US operations could add a further 4p a share.

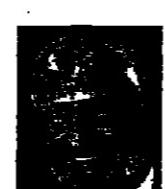
■ Alpha Omicron, described as an emerging markets specialist, fell 0.25p to 3.75p. After the market closed it said Henderson Crosthwaite had resigned as broker and adviser.

■ The maker Quilligott gained 6.5p to 21.5p as shareholders who helped save the company sold 56.75 per cent of the capital at 20.5p to institutions.

MARKET REPORT

DEREK PAIN

stock market reporter of the year



Category	Stock	Price Chg	Val. Pct Chg	Price	Val.	Pct Chg
Alcoholic Beverages	ABF	-0.1	-0.00	1,100	1,100	-0.00
Banks, Merchant	ABN AMRO	-0.1	-0.00	1,100	1,100	-0.00
Banks, Retail	ABUS	-0.1	-0.00	1,100	1,100	-0.00
Breweries, Pubs & Restaurants	ABV	-0.1	-0.00	1,100	1,100	-0.00
Diversified Industries	ABX	-0.1	-0.00	1,100	1,100	-0.00
Engineering Vehicles	ABV	-0.1	-0.00	1,100	1,100	-0.00
Extractive Industries	ACI	-0.1	-0.00	1,100	1,100	-0.00
Food Manufacturers	ACI	-0.1	-0.00	1,100	1,100	-0.00
Investment Companies	ACI	-0.1	-0.00	1,100	1,100	-0.00
PEPs	ACI	-0.1	-0.00	1,100	1,100	-0.00
Other Financial	ACI	-0.1	-0.00	1,100	1,100	-0.00
Oil, Integrated	ACI	-0.1	-0.00	1,100	1,100	-0.00
Pharmaceuticals	ACI	-0.1	-0.00	1,100	1,100	-0.00
Retailers, Food	ACI	-0.1	-0.00	1,100	1,100	-0.00
Telecommunications	ACI	-0.1	-0.00	1,100	1,100	-0.00
Textiles & Apparel	ACI	-0.1	-0.00	1,100	1,100	-0.00
Other	ACI	-0.1	-0.00	1,100	1,100	-0.00
Automobiles	ACI	-0.1	-0.00	1,100	1,100	-0.00
Building/Construction	ACI	-0.1	-0.00	1,100	1,100	-0.00
Chemicals	ACI	-0.1	-0.00	1,100	1,100	-0.00
Distributors	ACI	-0.1	-0.00	1,100	1,100	-0.00
Electronics	ACI	-0.1	-0.00	1,100	1,100	-0.00
Engineering	ACI	-0.1	-0.00	1,100	1,100	-0.00
Food Processing	ACI	-0.1	-0.00	1,100	1,100	-0.00
Household Goods	ACI	-0.1	-0.00	1,100	1,100	-0.00
Leisure & Hotels	ACI	-0.1	-0.00	1,100	1,100	-0.00
Printing & Paper	ACI	-0.1	-0.00	1,100	1,100	-0.00
Property	ACI	-0.1	-0.00	1,100	1,100	-0.00
Life Assurance	ACI	-0.1	-0.00	1,100	1,100	-0.00
Media	ACI	-0.1	-0.00	1,100	1,100	-0.00
Support Services	ACI	-0.1	-0.00	1,100	1,100	-0.00
Transport	ACI	-0.1	-0.00	1,100	1,100	-0.00
Water	ACI	-0.1	-0.00	1,100	1,100	-0.00
Rights Issues	ACI	-0.1	-0.00	1,100	1,100	-0.00
Recent Issues	ACI	-0.1	-0.00	1,100	1,100	-0.00
Government Securities	ACI	-0.1	-0.00	1,100	1,100	-0.00
Shorts	ACI	-0.1	-0.00	1,100	1,100	-0.00
Longs	ACI	-0.1	-0.00	1,100	1,100	-0.00

business

This could be a once-in-a-lifetime turning point for the dollar

It is very difficult to catch a cyclical turning point until after the event. Thus you have to wait at least a year to be clear that, for example, a recession is over, a currency has reversed its path, or that the next movement in interest rates will be up rather than down.

But if it is hard enough to catch a cyclical turning point, how much harder it is to catch a long-term, secular one. Here you are not dealing with a change that will take place every three to seven years, but rather one that takes place every 50 or 100 years. Anyone who claims to have identified such a turning point needs to hang the large public health warning: "This idea may be very wrong."

Apply this to the notion that it is not just a cyclical change in the value of the dollar which has taken place in the last two years but also a secular change.

Since the middle 1950s the dollar has been a weak currency. The weakness was not fully revealed until the Bretton Woods system of fixed exchange rates began to collapse at the end of the 1960s (the trigger was the devaluation of the other reserve currency, sterling, in 1967). But once post-war Europe began to recover and the dollar shortage of the 1940s was replaced with a dollar surplus, it gradually became clear that sooner or later the dollar would start a long decline. The principal beneficiaries were of course the mark and the yen.

Now both the mark and the yen are weak for cyclical reasons, but if the long-term trend of the dollar is intact then in another five or so years the dollar will be down in the dumps and at the bottom of that cycle it will be lower than it was two years ago.

If, on the other hand, the downward trend has reversed, those levels of two years ago will never be reached again. The dollar will never – or at least not in our lifetime – be back at Y80. Could this be right? Here are

five reasons why it might, and one why it might not.

First, we are moving into a world of zero inflation, or as near zero as makes no difference. In the past one of the main reasons for currency adjustments has been differential inflation. In a world of high inflation some countries will inflate at, say, 10 per cent and others at 5 per cent, so that there will need to be adjustments every couple of years to keep them in line. But in a world of near-zero inflation you might have one country inflating at 1 per cent and another at 2 per cent. Maybe, once every 15-20 years you might need to have a change in parity, but it would not need to be very often, and it might well be that during this period the underlying performance of the higher-inflation country would improve enough not to need a currency adjustment at all.

Second, even if the US does have slightly faster inflation than Germany and Japan (as it does at the moment) the dollar may still be able to rise. It is not far from its average position in recent years (see graphs) so even after this recent rise there is still some leeway for it to move



Hamish McRae

If the downward trend has been reversed, those levels of two years ago will never be reached again. Could this be right?

Three, while the US population is ageing it is doing so at a slower rate than any of the Group of Seven industrial countries. Meanwhile Japan and Germany are ageing fastest. The demographic pattern of a country has a profound impact on its economic vibrancy, quite apart from its effect on savings and investment.

Four, there are signs that the endemic current account surplus of Japan and the endemic deficit of the US may be about to reverse themselves. (The long-term surplus of Germany

further. In fact it is probably still a bit undervalued.

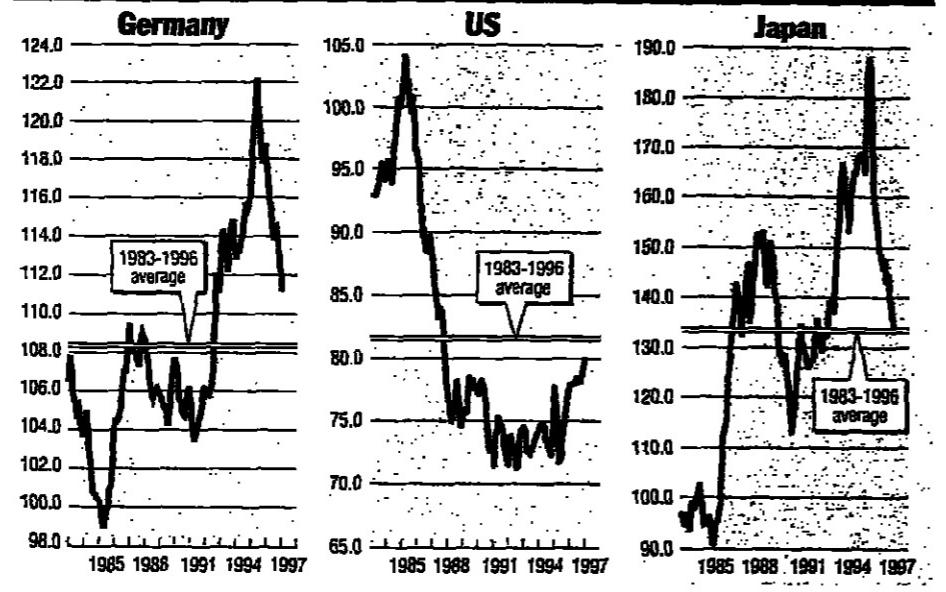
Two, the fiscal position of the US, much criticised through the 1980s for the excessive deficit, is now under better control than the deficits of either Japan or Germany. True, the US retains the problem of low savings, but if you allow for the substantial private sector pensions of the US and the lack of these in Germany and Japan, the position is much more balanced. Looking ahead, in five years' time the US fiscal position may appear very favourable compared with that of almost all other developed countries.

Five, the relative decline in the importance of the Japanese economy and the possible disappearance of the mark as a currency if European monetary union goes ahead, leave the dollar clear as the only reliable global currency. The euro might eventually become a reliable currency, but it is unlikely to be trusted by global savers until it establishes a track record. Were EMU to go ahead on a wide basis, then most investors would expect it to be weak.

There is one powerful counter-argument. It is the cultural one: that the low-savings culture is so embedded in the US, and the high-savings culture ultimately so secure in both Japan and Germany, that the value of the yen and the mark will remain solid. Provided the mark still exists, there will certainly be people who will want to hold it, and Japan's enormous net asset position will underpin the value of the yen. The US net deficit position, meanwhile, will continue to undermine the dollar. The US remains the world's largest debtor, and until there is some indication of a turning point in the net asset position it is a bit early to be confident of a turning point in the currency.

And where, might you ask, does the other chronically weak currency, the pound, fit into all of this? Oh, it becomes a strong currency too – but I am afraid that story needs another article.

Investment circulars from Paungrave Gordon's engineer-



Foreign Exchange Rates

Country	Sterling			Dollar			D-Mark		
	Spot	1 month	3 months	Spot	1 month	3 months	Spot	1 month	3 months
US	16334	10.8	30.7	1000	–	–	60307	–	–
Canada	2307	54.9	154.56	13533	24.23	75.73	10000	–	–
Germany	27058	69.61	203.93	15655	30.28	90.87	10000	–	–
France	22597	21.7	64.02	14200	21.57	65.57	10000	–	–
Italy	22597	15.47	45.47	12523	21.28	65.57	10000	–	–
Japan	20015	95.91	275.27	12283	44.47	149.47	74503	3.25%	3.25%
ECU	13941	21.18	66.41	1177	44.45	144.45	50562	–	–
Belgium	55293	55.38	165.86	12480	7.5	20.17	203339	–	–
Denmark	30392	22.77	67.55	15025	5.25	12.25	12223	–	–
Netherlands	30392	82.74	240.23	18601	3.67	12.75	12223	–	–
Ireland	10193	5.1	16.10	15025	5.63	10.6	12767	–	–
Norway	22597	80.90	280.27	15258	5.25	12.25	12223	–	–
Spain	22597	53.53	160.50	12480	10.17	20.17	12223	–	–
Sweden	12007	223.60	655.38	73508	5.16	12.16	12223	–	–
Switzerland	23232	85.76	239.23	14280	40.37	119.14	12223	–	–
Austria	21575	10.16	32.25	13211	4.16	13.35	12767	–	–
Hong Kong	23232	53.53	240.23	14280	2.5	12.25	12223	–	–
Malta	40616	0.49	0.49	24665	97.60	90.85	15051	–	–
New Zealand*	23882	64.71	155.18	14821	5.16	97.99	12826	–	–
Saudi Arabia	82671	0.41	0.40	37503	1.4	5.9	23541	–	–
Singapore	23007	0.40	0.40	14088	24.49	70.65	12826	–	–

Interest Rates									
UK	600%	Germany	250%	US	875%	Japan	250%	UK	600%
Base	600%	Discount	250%	Prime	875%	Discount	250%	Base	600%
France	10000	Lombard	450%	Fed Funds	500%	Belgium	250%	France	10000
Intervention	316%	Canada	475%	Repo (Ave)	500%	Sweden	300%	Intervention	316%
Intervention	75%	Discount	400%	Repo (Ave)	400%	Switzerland	300%	Intervention	75%
Advances	250%	Discount	325%	Repo (Ave)	400%	Lombard	425%	Advances	250%

Bond Yields

Country	5yr	% yield %	10yr	% yield %	30yr	% yield %	100yr	% yield %	300yr	% yield %
UK	7.0%	6.87	7.50%	7.15	Netherlands	7.75%	4.41	6.0%	5.42	
US	6.25%	6.15	6.50%	6.40	Spain	7.95%	5.88	7.35%	6.74	
Japan	10.25%	10.25	10.25	10.25	Australia	7.75%	6.25	7.25%	6.75	
ECU	10.25%	10.25	10.25	10.25	ECU OAT	12.0%	5.45	6.50%	6.88	
Belgium	10.25%	10.25	10.25	10.25						
Denmark	10.25%	10.25	10.25	10.25						
Netherlands	10.25%	10.25	10.25	10.25						
Ireland	10.25%	10.25	10.25	10.25						
Spain	10.25%	10.25	10.25	10.25						
Sweden	10.25%	10.25	10.25	10.25						
Switzerland	10.25%	10.25	10.25	10.25						
Australia	10.25%	10.25	10.25	10.25						
Japan	10.25%	10.25	10.25	10.25						
ECU	10.25%	10.25	10.25	10.25						
Belgium	10.25%	10.25	10.25	10.25						
Denmark	10.25%	10.25	10.25	10.25						
Netherlands	10.25%	10.25	10.25	10.25						
Ireland	10.25%	10.25	10.25	10.25						
Spain	10.25%	10.25	10.25	10.25						
Sweden	10.25%	10.25	10.25	10.25						
Switzerland	10.25%	10.25	10.25	10.25						
Australia	10.25%	10.25	10.25	10.25						
Japan	10.25%	10.25	10.25	10.25						
ECU	10.25%	10.25	10.25	10.25</td						

THE INDEPENDENT • TUESDAY 11 FEBRUARY 1997

Rain dampens trainers' anger

Racing

GREG WOOD

In a normal year, it would need to be a fairly thin news day before "rain in February" became a worthwhile item, but 1997 is anything but normal, and reports that Cheltenham racecourse received a thorough soaking on Sunday night swept all before them on racing's bush telegraph yesterday. With just four weeks to go to the National Hunt Festival, Philip Arkwright, the clerk of the course, briefly postponed plans to water the track artificially, and several trainers who have been grumbling about the prevailing fast-ground suddenly fell silent.

At least, they did for the moment. The post of clerk of the course at Cheltenham is one of the most desirable the sport can offer, but from the start of February onwards, Arkwright

can be fairly sure that each morning's browse through the trade papers will see another verbal grenade or two heading in his direction.

David Nicholson and Jim Old, both of whom would like an easy surface for their respective Champion Hurdle candidates, Relkeel and Collier Bay, will now be a little happier. Others, though — Jessica Harrington, who prepares the fast-ground specialist Space Trucker, springs to mind — may feel that their own chances have suffered as a result. For punters, too, long-cherished ante-post slips may suddenly appear rather less valuable.

Some would argue that Arkwright should simply let nature take its course, but the possibility of firm ground for the Festival is not one he is prepared to entertain. "We've had about 7mm of rain, just over a quarter of an inch," he said yesterday, "but it's not as much as we

need and although there are fronts coming in, my local forecaster does not think it will amount to all that much."

The "local forecaster", by the way, is not an ageing sheepherd with a bit of seaweed hanging from his porch, but, less romantically, a contact at the Bristol weather centre.

RICHARD EDMONDSON
NAP: Naughtie Future (Ayr 3.10)
NB: Mr Kartwit (Ayr 3.40)

"You're never going to satisfy everybody," Arkwright said, "but we have a perfectly clear policy and we will not divert from it, which is that we should produce good ground for the Festival meeting."

This is an exceptional year and it is probably going to take exceptional steps to do that, but we think it is in the best interest

of the British public,

celebrating Britain's

Cheltenham Festival.

But the racing events where two regular care that you want your racing, they could be bad, the car insurance, Quins, and the

Entertainment, the

captain of the Ark.

And the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

the last one.

So the last

one will be

</div

sport

WORLD CUP COUNTDOWN: Qualifiers present England and Scotland with contrasting challenges against Italy and Estonia respectively

Zola has mark of distinction

Italy's pocket-sized playmaker is ready to walk tall at Wembley, he tells Clive White

Not since Ossie Ardiles brought his wiles to these shores has a foreigner made a bigger impact on the English game – nor been more adored – than Gianfranco Zola. And the latter seems to have managed it in half the time. Now, just as the Falklands War temporarily interrupted the love affair between England and its little Argentinian, so tomorrow's vital World Cup game at Wembley threatens to come between the nation and its diminutive Italian.

Chelsea's artful striker poses England the greatest single threat to their hopes of reaching the finals in France next year. Talk about biting the hand that feeds. Just how Glenn Hoddle, the England coach, chooses to deal with a player he tried to sign himself when manager at Stamford Bridge could well determine the outcome of the game, if not Group Two itself.

To mark or not to mark, that is the question. "It's not a problem for me," Zola claimed. "I handled it many times in Italy. I have played against Gentile, Costacurta, Vierchowod and Ferrara, so there is nothing defenders can do to me in England worse than I've already had. They can mark me but there are 10 other players on the pitch."

Yet three of English football's journeymen – Lucas Radebe (Leeds United), Peter Atherton (Sheffield Wednesday) and Des Lynde (Nottingham Forest) – have each successfully drawn the little man's sting. Indeed Wednesday tried it both ways: for the first 20 minutes they attempted to deny him space and found themselves two goals down, one of them by Zola. They then put Atherton on him and ended up drawing.

"He's a wonderfully instinctive, intuitive little man," said David Pleat, the Wednesday manager, said, "but no player is happy when he's marked despite all this rubbish that [Chelsea manager Ruud] Gullit has come out with to the contrary."

Opinion is pretty much divided on how to deal with Zola and even the Forest coach, Liam O'Kane, thought England would be better off concentrating on their own game. Their man-marking job was hatched between the caretaker manager, Stuart Pearce, and his old Forest and England team-mate, Des Walker, who knew Zola from his Sampdoria days.

It has not had much effect in six-a-sides at Chelsea, though. Dennis Wise was given the task the other day. "He's got happy feet," Wise said. "He jinks one way and then the other and then it's see you, in it."



Zola: 'Intuitive' talent



Paul Merson takes a break from training yesterday for tomorrow's Wembley meeting with Italy. Photograph: Peter Jay

Opposites attract Hoddle

Seven years and 10 caps separate Paul Merson and David Beckham, but in other ways they are two players sharing the thrill of starting on the international road.

Part of the healing process for rehabilitating Merson includes viewing today, and all that life brings to it, as if yesterday never happened.

Zola professes to have fallen in love with the game again at Chelsea after falling out with Carlo Ancelotti. The Parma coach insisted on playing him in a wide midfield position, about as daft as Johan Cruyff playing Gary Lineker on the wing at Barcelona.

"It's the most relaxed I've been in my career, and that's important because my football is instinctive," Zola said. "Here I can get away from it and spend time with my family, so that when it comes to matches I'm much more interested in going out and playing."

A favourite of the former Italy coach, Arrigo Sacchi, who picked him ahead of Roberto Baggio for Euro '96, Zola is now keeping the richly talented Alessandro Del Piero waiting for a regular place in Cesare Maldini's team. As understudy at Napoli to Diego Maradona (from whom he learned his free-kick cunning) Zola knows what it is like to be kept waiting for that precious No 10 shirt. Now England need to get to grips with it.

Arildes resolved his own conflicting loyalties to club and country by heading off, temporarily, to France. Let us hope Zola does not follow suit – least ways not without us.

Trevor Haylett meets a pair of gifted England players with one goal in common

new Cup victory over Parma in 1994. "Not a lot," he replied. "But then I can't remember a lot about any of the two years before my problems were revealed. I have just pushed everything aside and started again."

Should he be chosen for England to face Italy at Wembley in tomorrow's World Cup qualifying tie, it will be like winning that first precious call-up for his country all over again.

When he next climbs the winner's rostrum with Arsenal, it will be with the enthusiasm known to those who believe success is something that only comes to others.

The 28-year-old Merson is a man for today and tomorrow. The dark hours of yesterday – when drink and drugs and gambling placed his sanity at risk, let alone the remnants of a once flourishing career – have been swept away.

That became clear yesterday when he was asked what he remembered about Gianfranco Zola from Arsenal's Cup-Win-

Alan Shearer. It is from that position that he still demonstrates the shooting prowess that first announced him as another Highbury youngster with international possibilities.

He says he is now enjoying the best football of his career. "The difference between Paul Merson now and the one of two years ago is unbelievable. I have been in the England squad the last two times and it's nice to think there is a chance to play. If I start the game on Wednesday it will be another test for me, but the struggle still goes on. The easiest thing is to get to the mountain top; the hard part is to stay there."

Merson's versatility enhances England's attacking options as Glenn Hoddle, the England coach, juggles with a number of possible formations while awaiting the final bulletin on who will – and who won't – be available.

Merson can play as a wide midfielder or further forward as an auxiliary striker, just behind

help him cope with most things that come his way.

A fourth international cap for the 21-year-old from Leytonstone looks a certainty amidst all the ifs and buts that surround Hoddle's selection. It is a measure of how far Beckham has come in such a short space of time. At the start of the season he says he was not sure of his place at Old Trafford, but from that first game at Wimbledon – and his memorable goal from half-way – it has been success after success.

"Yes," he says, "if I felt the opportunity was there to try a shot like that on Wednesday I would do it. Of the goals I have scored, that ranks as the best because it was so different from the rest."

[United manager] Alex Ferguson and Glenn Hoddle have both been very encouraging and told me not to be afraid to miss."

The incessant questions, the cameras, the hangers-on – nothing seems to faze him. "I really enjoy seeing things about me in the papers. Perhaps it helps that I was once a little kid with an autograph book myself. If you are in the public eye then you have to put up with these things."

Merson's myriad problems stem from an inability to cope with the fame and the rewards that come with it. With no sign of a brake on football's accelerating popularity, we should be thankful that in Beckham both England and Manchester United appear blessed with a prodigious talent whose temperament will

Giggs' commitment questioned

GUY HODGSON

The Republic of Ireland are in Cardiff although who is present is not bothering Wales at the moment half as much as who is missing. The principality has got itself into a lather about Ryan Giggs and for the first time the sentiments fall far short of adulation.

A record of no appearances in Wales friendlies has turned a portion of the public into sceptics about the Manchester United winger and the mood is not particularly wholesome. Local papers have questioned his commitment to the country and, according to reports, even his grandparents have appealed to him to turn out soon to spare them from abuse.

Giggs is the Welsh player as far as the public is concerned and his absence with a calf strain has

overshadowed other no-shows – seven in all. In theory, the friendly with the Irish, who will not name their team until this morning, was to prepare the side for next month's World Cup qualifier against Belgium, instead it has become an experiment Bobbie Gould might feel he could have done without if they lose.

To compound the Welsh manager's frustration, the fax from Old Trafford withdrawing Giggs arrived 24 hours late and the story appeared in newspapers before Gould was informed. "If the lad is injured I have to accept that," he said. "I would never challenge a manager if he says a player is not fit. The last thing I want is confrontation."

The Welsh public would be perfectly happy to confront Giggs or, in particular, the United manager, Alex Ferguson, who is seen as the true villain of the

piece, but if they doubt the commitment coming from Manchester they are assured about Nottingham. Mark Crossley, the Forest goalkeeper, makes his debut with managerial approval already ringing in his ears.

Crossley, who was born in Barnsley, persuaded Gould to play him by hard labour off the field as much as on it. "The way he has done the work to prove his eligibility for Wales is a quality I haven't seen before," he said.

Karl Ready, the Queen's Park Rangers centre-back, also makes his debut in a side which, with Vinnie Jones, Barry Horne, Mark Hughes and John Hartson, is unlikely to be accused of faint-heartedness. Indeed the prospect of that collection competing against Roy Keane could have blood-sports protesters filling the stands never mind football supporters.

Regrettably the National Stadium will be three-quarters empty which means what could be Paul McGrath's last appearance in an international in Britain will go largely unnoticed. The 57-year-old returns for the Irish, refreshed by a new marriage and a low alcohol intake, and will pit his patched together body against Hughes. Unfortunately for the Republic's prospects, the Liverpool defender Phil Babb was forced to withdraw from their squad yesterday with a knee injury.

You could call it the ageing matador against the raging bull.

Gould posed the question to his squad yesterday whether there is such a thing as a friendly. "Definitely not," one soft voice replied. It belonged to Hughes.

Wales: Crossley (Nottingham Forest); Ready (Preston), Speed (Exeter), Symons (Boro City); Jones (Walsall), Jones (Wimbledon), Penberthy (Sheffield Wednesday); Hartson (Aston Villa), Hughton (Chelsea).

Regrettably the National Stadium will be three-quarters empty which means what could be Paul McGrath's last appearance in an international in Britain will go largely unnoticed. The 57-year-old returns for the Irish, refreshed by a new marriage and a low alcohol intake, and will pit his patched together body against Hughes. Unfortunately for the Republic's prospects, the Liverpool defender Phil Babb was forced to withdraw from their squad yesterday with a knee injury.

You could call it the ageing matador against the raging bull.

Gould posed the question to his squad yesterday whether there is such a thing as a friendly. "Definitely not," one soft voice replied. It belonged to Hughes.

Wales: Crossley (Nottingham Forest); Ready (Preston), Speed (Exeter), Symons (Boro City); Jones (Walsall), Jones (Wimbledon), Penberthy (Sheffield Wednesday); Hartson (Aston Villa), Hughton (Chelsea).

Nicholl heads Millwall exodus

CATHERINE RILEY

Jimmy Nicholl, the Millwall manager, and his assistant, Martin Harvey, were yesterday sacked by the Second Division club's administrators.

Twelve players have also been put on the transfer list and the chief executive, Graham Hopton, made redundant. The former Millwall manager John Docherty will take control of team affairs and all staff who are staying on have been asked to take a 10 per cent drop in wages.

Administrators David Buchler and Lee Manning said: "These cuts were always seen as an integral part of the way forward. It is a very painful but necessary

process. Both Mr Hopton and Mr Nicholl have been very loyal to the club, but it was our view that changes needed to be made in both areas to stimulate success both on and off the field."

These changes, together with a planned reduction in the playing squad, will contribute approximately £1.5m a year in savings. As well as concentrating on savings, we are looking at every area of improving the club's income and exploiting its excellent facilities.

"There is a huge amount of hard work still ahead and the financial position is still critical. The club will only survive with the help of the supporters."

Ronnie Whelan is waiting for a referee's report on which his

planned leadership the players require in our current situation."

John Toshack ended the most trying period of his long managerial career late on Sunday night when he resigned from Deportivo La Coruna. The Spanish side have been struggling to keep in touch with Real Madrid and Barcelona and problems on the pitch were aggravated when Toshack clashed with club authorities, players and fans.

Meanwhile, Barcelona's embattled coach, Bobby Robson, has been offered money by some of the club's fans to leave the job. One group implored the former England manager to leave, saying: "Please disappear as soon as you can. If you need money, we can give it to you."

He catches the ball, strokes it, holds it tightly, waves at all the other players that they should leave him alone with his private property, lets a few more seconds tick by, looks around a bit more and then he

reaches for the ball, strokes it, holds it tightly, waves at all the other players that they should leave him alone with his private property, lets a few more seconds tick by, looks around a bit more and then he

reaches for the ball, strokes it, holds it tightly, waves at all the other players that they should leave him alone with his private property, lets a few more seconds tick by, looks around a bit more and then he

reaches for the ball, strokes it, holds it tightly, waves at all the other players that they should leave him alone with his private property, lets a few more seconds tick by, looks around a bit more and then he

reaches for the ball, strokes it, holds it tightly, waves at all the other players that they should leave him alone with his private property, lets a few more seconds tick by, looks around a bit more and then he

reaches for the ball, strokes it, holds it tightly, waves at all the other players that they should leave him alone with his private property, lets a few more seconds tick by, looks around a bit more and then he

reaches for the ball, strokes it, holds it tightly, waves at all the other players that they should leave him alone with his private property, lets a few more seconds tick by, looks around a bit more and then he

reaches for the ball, strokes it, holds it tightly, waves at all the other players that they should leave him alone with his private property, lets a few more seconds tick by, looks around a bit more and then he

THE GREENCARD IS FREE, CAN SAVE YOU £££S AT THE RACES, GIVES YOU FREE BETS PLUS MUCH, MUCH MORE!

Greencard

DON'T MISS OUT! JOIN TODAY FREE ONLY IN

The Sporting Life

Scots aim to make light of Estonia

PHIL SHAW
reports from Monte Carlo

would seem perverse not to use him given that Brown has indicated that Duncan Ferguson is to start for the first time in 26 months.

Andy Goram will also return, in place of the unlucky Jim Leighton, though Brown anticipates a far busier evening for Estonia's former Portsmouth goalkeeper, Marc Poom.

"The Estonians are a fit, athletic team, but where they can't compete with us in technical ability," he said. "That's how we'll win it, not by pumping high balls into the goalmouth where Poom uses his reach to come for everything."

"We've a midfield that any country would envy, so we need to put the emphasis on quick passing. There could be goals in this match for our midfielders."

The central unit will be reinforced by Paul McStay, who admitted yesterday that he had feared his career might be over when surgery on an ankle injury last summer merely worsened the pain. McStay, who wins his 74th cap, will play alongside his former Celtic partner John Collins for the first time since the latter moved to Monaco.

Collins warned that his club's pitch deteriorates every winter, the result of poor drainage and of being built on the third floor of a leisure complex, with car parks and tennis courts below.

Estonia are still playing the same system which is designed purely to frustrate," he said. "It's a rigid formation, with no scope for flexibility. I don't agree with playing that way, but they're very well coached [by Teitur Torfason, an Icelander]. We'll face similar difficulties to those that a team like Coventry had against Woking in the FA Cup."

In fact, Estonia are unlikely to be as positive as the Vauxhall Conference part-timers, which has prompted Brown to study his options even more closely than usual. He may, for instance, decide he does not need three out-and-out defenders if Estonia are going to deploy a solo striker. If that is the case, there could be roles for Celtic's Jackie McNamara and Tosh McKinlay as wing-backs.

McKinlay is the best crosser in the Scottish game, he added.

Victory would set the Scots up nicely for their three vital matches before May Day – at home to Estonia and Austria, and away to Sweden – while anything less might so seeds of doubt that could grow ominously as Monaco's spring temperatures finally reach Scotland.

ENGLAND (probable): 4-4-2; Poom (Flora Tenorio); Kevin Sheedy, Steve Watson (both St Mirren); Alan Hansen (both Celtic), Des Walker (both St Mirren); Open; M Roche (all Flora), Arshak (both St Mirren); Zeljko Zezelj (both Flora)

SCOTLAND (probable): 3-4-2; Green (Paisley); Campbell (Falkirk); Murray (both St Mirren); McAllister (Coventry), Ferguson (Rangers), Coffey (Middlesbrough), D Ferguson (Coventry), McGlynn (Bolton).

Clock on keepers

Football's world governing body, Fifa, plans to limit the time goalkeepers have to time the ball back into play – but make it legal for them to move on the line before a penalty.

Sepp Blatter, the Fifa general secretary, said yesterday that the governing body would discuss the changes to the rules at a meeting on 1 March.

"I have nothing against goalkeepers, quite the opposite. They have it hard enough. But Fifa wants to stop them getting away with wasting so much time," Blatter said. "Too often you notice a goalkeeper because he is standing still rather than moving.

"He catches the ball, strokes it, holds it tightly, waves at all the other players that they should leave him alone with his private property, lets a few more seconds tick by, looks around a bit more and then he

As the
advanta

Henn
humb
by Sir

TODAY'S
NUMBER

As the professional game is pretty violent already I think the advantages of legalised padding outweigh the disadvantages

I am hoping for at least one upset in the Five Nations' Championship matches to be played on Saturday. If France beat Wales, and England beat Ireland, the vista will be what we have looked over so often in the past few years: a competition between France and England, to be decided by the England v France match, which will take place this year at Twickenham.

Of next Saturday's pair, it is the Dublin game that looks more likely to produce the surprise. Of the last 10 encounters there, both countries have won five apiece. Ireland last winning in 1993. Judged by their performance against Wales, they are perfectly capable of winning, though I do not think I shall risk much money unless the odds are favourable.

As my column last week was chiefly about the deficiencies of Antipodean referees, I did not have space to pay adequate tribute to their play in Cardiff. Jim Staples had a tremendous match. In one passage of play he showed that he was as fast as, maybe slightly faster than, Ieuan Evans. On present form, he certainly deserves to go to South Africa with the Lions, though I should still prefer Neil Jenkins as first choice for his goal-kicking.

How many people, I wonder, noticed that Jenkins made a hash of catching the ball on his own line, so presenting Jonathan Bell with his first-half try, because of the padding on the posts? I am all in favour of protecting players against injury, particularly in these new, harsher times.

But the padding on the Cardiff posts was rectangular and stuck out on each side of them. What is needed, surely, is padding that follows the circular contour of the post instead of being at variance with it.

As we are on the subject of padding, what about padding for players? As I understand the laws, protective clothing for chest, back and shoulder is still not allowed in rugby union, though in league it is. Yet in the Richmond v Moseley match last Saturday a Moseley player removed his jersey for one reason or another to reveal what looked like a bullet-proof jacket, which may have been a necessary addition for someone playing against the Quintin brothers.

Three years ago, when South Africa were playing in Wales, I noticed François Pienaar emerging from the dressing-room wearing copious quantities of padding round his shoulders. Most of his colleagues looked as if they were similarly protected. Obviously, on the hard grounds in South



ALAN WATKINS

Africa you need some extra covering, even though the laws of rugby union football are the same the world over.

My view is that, if players want this kind of protection, they should be allowed to have it. The laws should be amended accordingly. The contrary argument is that, the more protection that is allowed, the more violent the game will become. But as the professional game is pretty violent already, it can only be a matter of time before someone is killed – I think the advantages of legalised padding outweigh the disadvantages, though it may well be that our players will come more and more to resemble American footballers.

Playing for Richmond in the match I have briefly referred to was

last year's Irish full-back, Simon Mason, then of Orrell. He was probably the best full-back in the British Isles, judged by form rather than by reputation. Yet today he is in Irish estimation not only behind Staples but behind Conor O'Shea as well.

Eric Elwood would probably agree with that. When he first appeared in international rugby four years ago, he seemed an outside-half in the Irish mould, not as exciting as Tom Ward and Sun Campbell, perhaps, a less worthy successor nevertheless, not least in his goal-kicking abilities. The Irish selectors, having discovered yet another good outside-half, then proceeded to mess him about, dropping him, restoring him and then dropping him again for no very apparent reason. He certainly did all that was required of him against Wales.

Other players – notably the Irish back-five – did considerably more. Seven of their forwards now play for Courage League clubs. In the past, there have been troubles, notably with London Irish, over players who are required both for provincial matches in Ireland and for training sessions there. I suggested that, as a compromise, these sessions should be held at Stansted Airport. Now even this seems to be unnecessary. They could be held instead at the London Irish's ground at Sunbury-on-Thames, which would presumably suit the new Irish coach, Brian Ashton, better than the present arrangements.

Henman humbled by Sinner

Tennis

JOHN ROBERTS
reports from Dubai

Accustomed as we had become to reporting about Britons ranked around No 180 losing first-round matches against opponents in the top 20, it came as something of a shock last night that an opponent ranked No 183 had defeated Oxford's world No 17, Tim Henman.

Such is the measure of Henman's impact recently that his fall to a German qualifier, Martin Sinner, 7-6, 6-4, in the Dubai Open disappointed the majority of the spectators.

It was the manner of the defeat that irritated Henman and observers who have charted his rise to prominence. "It's no good creating chances if you don't take them," he said, adding: "He had one chance – a double fault – and that was the end."

The British No 1 failed to convert any of seven break points in the opening set, several of which were donated to him by Sinner's unforced errors – including two double-faults at 5-5. Although the German did not have a single break point in the set, he clinched the tie-break by two mini-breaks to one, 7-5.

Henman's double-faults subsequently presented Sinner with the first break of the match, for 2-1 in the second set. And even though Henman managed to break back in the next game, the success was chiefly due to his opponent, who could hardly have directed a high forehand volley over the baseline with greater awkwardness if he had been using a frying pan.

A bizarre sequence of shots, culminating with a winning smash after a net cord and a deflection off a net post – brought Sinner three break points in the ninth game. Henman saved one with a serve and volley, only for Sinner to attack a second

serve with an impressive back-hand pass.

Henman's backhand had been so unreliable for the majority of the 92 minutes of the match that there was a certain irony about the perfection of his shot which saved the first match point. Sinner did not hesitate over the second opportunity, passing Henman with a back-hand across the court.

It was Henman's first match for three weeks, since a splendid start to the year as a finalist in Qatar, a victory in Sydney and an appearance in the third round of the Australian Open, in which he was defeated by Michael Chang, the No 2 seed.

"It's disappointing to lose in the first round, but it happens to a lot of players," Henman said. "Just because I've lost one match I don't think I need to change the direction in which I'm moving."

Sinner, 29 last Friday, had his career disrupted by torn ligaments in his left ankle, caused by playing football in 1989. The injury required three operations, the last in March 1993.

Henman had won their two previous matches in straight sets, on the grass at London's Queen's Club in 1995 and on an indoor carpet in Copenhagen last year. "Having talked about my performance tonight," Henman said, "I think Martin did very well and deserves a lot of credit."

This afternoon Henman is due to play doubles in partnership with Pat Cash, the 1987 Wimbledon champion, and intends to make the most of the special atmosphere here.

Things have never been quite the same in this part of the world since Peter O'Toole played Lawrence of Arabia. The novelty this year is an Irish village, complete with a replica of the British Post Office and a cart-load of Guinness barrels, which has materialised on the west side of Dubai Tennis Stadium.

Far from a mirage, the reproduction of a little piece of Ireland serves to emphasise a strong connection between the Emerald Isle and the Dubai Open, specifically with the tournament's promoters, Dubai Duty Free.

Inspired by the success of the duty free operation at Shannon Airport, the director general of the Dubai Department of Civil Aviation, Mohd bin Benhaji, sought the advice of the Irish Government. He was invited to Shannon and subsequently recruited staff to set up shop in the Emirates, people such as Colm McLoughlin, who came for five months and have been here for 14 years.

Roberts robs Cambridge of winning run

Hockey

BILL COLWILL

Two second-half strikes from Tony Roberts, the Bishop's Stortford penalty corner expert, robbed Cambridge City of the Adams Premier leaders, of their 100 per cent record in a 2-2 draw after Gareth Machin and Julian Archer had given the two First Division sides, who drew at Huddersfield on Sunday, replay their tie at The Boulevard on Thursday, to avoid a clash with England's football match against Italy.

Saints will again be at home against the winners, but could be without their captain, Bobbie Goulding, for the rest of their Cup run. He will appear before the League's disciplinary committee on Thursday after being sent off for a high tackle on Wiggin's Neil Cowie on Saturday.

Second-placed Hampshire won 2-0 against Old Whigmen, while the leaders Anchormen had a comfortable 4-2 victory at Richmond.

The League's executive committee will today study a video recording of the brawl that fol-

Goulding summoned

Rugby League

DAVE HADFIELD

The Silk Cut Challenge Cup holders, St Helens, who leapt the biggest hurdle in the way of their retention of the trophy by beating Wigan at the weekend, have been drawn to meet either Huddersfield or Hull in the fifth round.

The two First Division sides, who drew at Huddersfield on Sunday, replay their tie at The Boulevard on Thursday, to avoid a clash with England's football match against Italy.

Saints will again be at home against the winners, but could be without their captain, Bobbie Goulding, for the rest of their Cup run. He will appear before the League's disciplinary committee on Thursday after being sent off for a high tackle on Wiggin's Neil Cowie on Saturday.

Second-placed Hampshire won 2-0 against Old Whigmen, while the leaders Anchormen had a comfortable 4-2 victory at Richmond.

The League's executive committee will today study a video recording of the brawl that fol-

The Steelers keep pace with Cardiff

Ice hockey

STEVE PINDER

With just two weeks of the regular season left, only Sheffield Steelers can stop Cardiff Devils from lifting the inaugural Superleague title.

The Welsh side are four points clear but have two games in hand (one of which, against Ayr Scottish Eagles, was played last night).

Cardiff could have a more comfortable cushion had they not dropped two points at Nottingham Panthers, only their eighth defeat in 36 games. Nottingham, however, were brought back to earth the next day against Manchester Storm, who overcame a two-goal deficit to win 4-2.

There were no such difficulties for Devils, who easily beat Basingstoke Bison 6-2. While Steelers kept up the pace with similar ease, beating Newcastle 4-2.

Gomarsall confident

Rugby Union

Andy Gomarsall, the England scrum-half, is confident of being fit for England's Five Nations' Championship match in Ireland on Saturday despite suffering two injuries during Wasps' Courage League win at the weekend.

"The nerves in my shoulder went again, as they did against Scotland the previous week, and my ankle was stood on," Gomarsall said. "But I know the shoulder can be treated and tons of ice are being applied to my ankle." He will be expected to prove his fitness by tomorrow at the latest. If either of his joints hits him down, it would mean a first cap for Austin Healey, the Leicestershire scrum-half.

Meanwhile Ireland's training session at the University of Limerick yesterday had several players missing with injuries. David Corkery, the open-side flanker, has a broken finger and has been told not to get involved in any contact work.

A decision on the centre

Jonathan Bell, who damaged a rib cartilage playing for Northampton, would not be made until Thursday. Other injury concerns were the loose-head prop Nick Popplewell (hamstring), as well as the Ireland A scrum-half Steve Melvyn (hamstring) and flanker Eddie Hawley (ankle). The Ireland A lock Mick Galwey was absent for an examination on a back injury.

The French squad assembled in Paris yesterday to begin preparations for their encounter with Wales at the Parc des Princes and Jean-Claude Skrela, the coach, will be monitoring the progress of the giant lock Olivier Merle, who is suffering from a rib injury.

Having already lost the flanker Philippe Benneton, the outside-half Alain Penaud and centre Thomas Castaigne through injury and the prop Franck Tramaine because of suspension, Skrela is anxious not to be without the powerful Merle.

Carwyn Davies, the former Welsh international, was found dead in his car at his home in the village of Llangadog, Dyfed.

Roberts robs Cambridge of winning run

Hockey

BILL COLWILL

The Silk Cut Challenge Cup holders, St Helens, who leapt the biggest hurdle in the way of their retention of the trophy by beating Wigan at the weekend, have been drawn to meet either Huddersfield or Hull in the fifth round.

The two First Division sides, who drew at Huddersfield on Sunday, replay their tie at The Boulevard on Thursday, to avoid a clash with England's football match against Italy.

Saints will again be at home against the winners, but could be without their captain, Bobbie Goulding, for the rest of their Cup run. He will appear before the League's disciplinary committee on Thursday after being sent off for a high tackle on Wiggin's Neil Cowie on Saturday.

Second-placed Hampshire won 2-0 against Old Whigmen, while the leaders Anchormen had a comfortable 4-2 victory at Richmond.

The League's executive committee will today study a video recording of the brawl that fol-

SNOW REPORT - in association with Thomas Cook Ski Direct

SKI HOTLINE

Latest snow and weather reports from 180+ resorts in Europe and North America.

Phone or fax:

0891 333 110

SKI SNAPSHOT

At-a-glance fax guide to snow conditions at 180+ resorts worldwide.

Wide:

0897 500 601

SKIFAX

Where to find the best snow - by fax.

Call SKIFAX - the ski facts:

0897 300 301

SKICODES

For a fax list of 180+ resort codes:

0990 100 843

Call to 180+ resorts via 500+ Davos Fax 4200

0891 333 110

AROUND THE RESORTS

Resort	Comment	Area open	Last snow	Lifc. cm	Upp. cm	Forecast
ANDORRA	Firm packed base	95%	3.2	90	350	Sunshine
Grindelwald	Best on upper runs	100%	3.2	125	200	Cloudy

AUTSTRIA	Powder on Kitzbuehel	90%	5.2	5	40	Sunrise
Kaprun	Powder on Altenmarkt	95%	5.2	50	100	Sunrise, clear

BALEAREN	Powder on Altenmarkt	95%	5.2	50	100	Sunrise
----------	----------------------	-----	-----	----	-----	---------

SWITZERLAND	Very poor. More snow left	15%	1.2	0	25	Mixed sun
-------------	---------------------------	-----	-----	---	----	-----------

CAUCASUS	Powder on Krasnaya Polyana	100%	0.2	40	100	Mixed sun
Stavropol	Good on upper runs	80%	1.2	250	250	Cloudy

ITALY	Fairly good snow	100%	2.2	180	220	Sunrise
Monte Rosa	Good on upper runs	100%	2.2	180	220	Sunrise
Val Tidone	Good on snow up top	100%	5.2	130	210	Cloudy

MONTEBELLO	Good on upper runs	100%	2.1	130	200	Mixed sun
Bormio	Good on lower runs	100%	2.1	130	200	Mixed sun
Madonna di Campiglio	Good on lower runs	100%	2.1	130	200	Mixed sun

